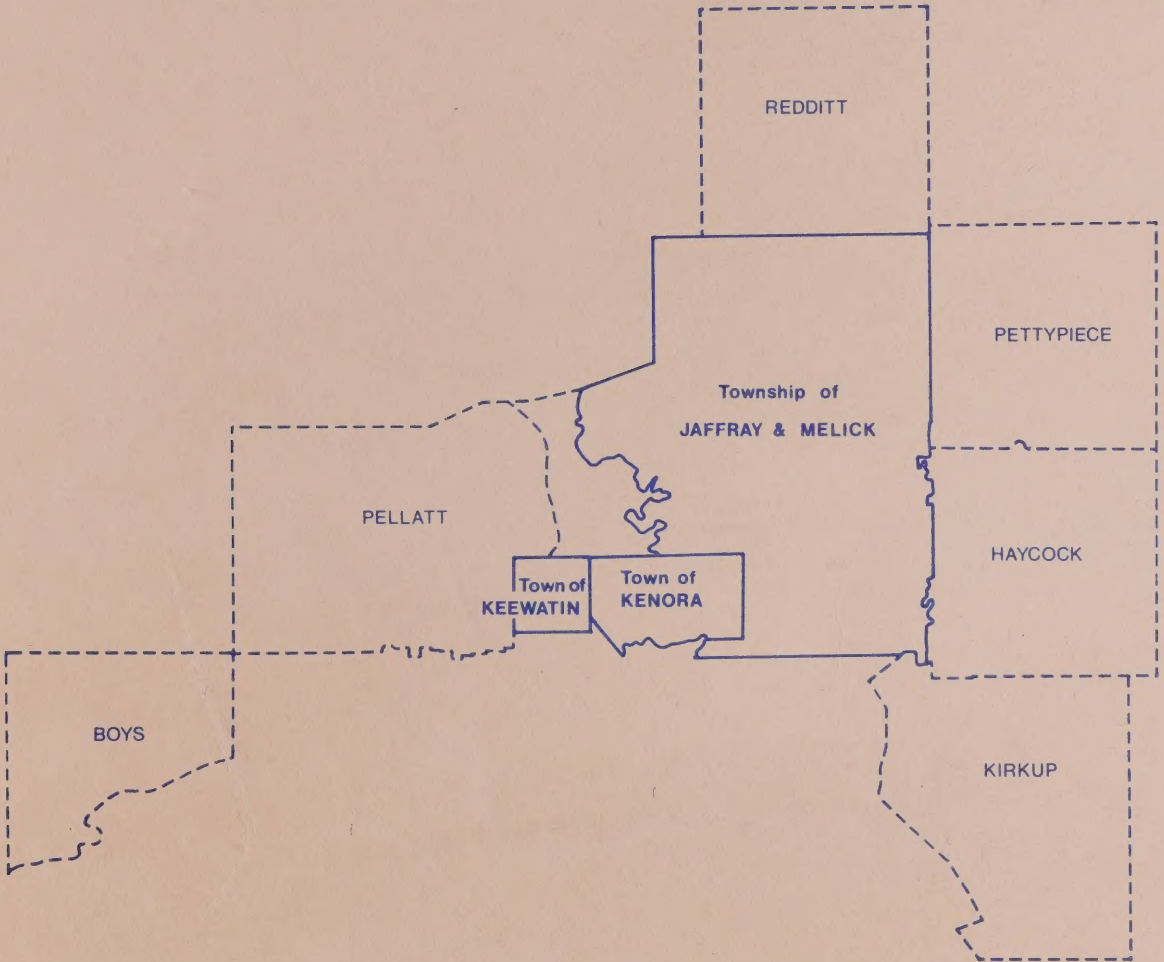


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KENORA AREA LOCAL GOVERNMENT STUDY

FINAL REPORT



Douglas Scott BAsC P. Eng.
Commissioner

June 1980

A Study Commissioned by the Ontario Ministry of Intergovernmental Affairs
at the request of the Township of Jaffray and Melick, the Town of Keewatin and the Town of Kenora.

KENORA AREA LOCAL GOVERNMENT STUDY

Commissioner Douglas Scott B.A.Sc P.Eng.

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The Honourable Thomas L. Wells
Minister of Intergovernmental Affairs,

Reeve E. G. Alcock, Township of Jaffray-Melick,

Mayor U. Romstedt, Town of Kenora, and

Mayor C. Rusak, Town of Keewatin.

Gentlemen:

I am pleased to present my Final Report in connection with the Kenora Area Local Government Study.

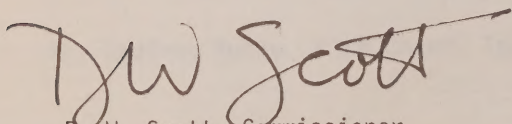
With the presentation of this Report, my assignment as Commissioner is complete and you are about to embark on discussions and investigations which will have a significant effect on the residents, businesses and government structure in the Kenora area.

I regret the time it has taken for me to produce this document. The range of subject matter has been a considerable challenge to digest and competing priorities have been difficult to satisfy. Hopefully, the extended duration of the Study has been a positive catalyst to several co-operative efforts which have been achieved during its preparation.

While I have been greatly assisted by the many Provincial and Municipal officials who serve the area, the opinions and recommendations included in this report are my own and should not be considered to carry the endorsement of either level of government.

Finally, I would like to express my deep appreciation for the opportunity of participating in this assignment. I look forward to your future deliberations in the confidence that the best interests of the region will be served through your final decisions.

Respectfully submitted



D. W. Scott, Commissioner
Kenora Area Local Government Study

DWS:cb

ACKNOWLEDGEMENTS

The interest shown by many residents and colleagues has been of great value to me in this assignment. I would particularly like to recognize the input of a number of very dedicated individuals who have spent considerable time in discussing the issues and answering my many questions.

Reeve Edward Alcock and Members of the Council of The Township of Jaffray-Melick

Mayor Udo Romstedt and Members of the Council of the Town of Kenora

Mayor Caspar Rusak and Members of the Council of the Town of Keewatin

Mr. Gordon Meads, Clerk-Treasurer, Township of Jaffray-Melick

Mr. Don McLeod, Chief Administrative Officer, Town of Kenora

Mr. John Callan, Clerk, Town of Kenora

Mr. Webb Engstrom, Chief of Police, Town of Kenora

Mr. Godfrey Neale, Fire Chief, Town of Kenora

Mr. Peter Sherred, Clerk-Treasurer, Town of Keewatin

Mr. Warren Spencer, Deputy Clerk-Treasurer, Town of Keewatin

Officials and Administrators of the many Boards and Special Purpose bodies servicing the residents of the Tri-Municipal Area

Officials of the Provincial Government Ministries who were generous with their time and information

Officials of the Ministry of Intergovernmental Affairs for their guidance and particularly for input to the financial aspects of this study.

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Mr. Frank Nicholson

Mr. Spence Hope

Mr. Mike LeSurf

The Students and Staff of Beaver Brae High School for their assistance in the Community Attitude Survey


Finally, particular appreciation is expressed to my research assistant Mrs. Johanna Veldstra and the Proctor and Redfern personnel in Kenora and Thunder Bay.

I N D E X

Letter of Transmittal

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SUMMARY OF RECOMMENDATIONS

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2. SPECIAL PURPOSE BODIES
3. UNORGANIZED AREAS
4. PROVINCIAL HIGHWAYS
5. SPECIAL AREA RATES
6. SECTION 86 RE-ASSESSMENT
7. THE COST OF AMALGAMATION
8. RELATIONSHIP WITH SCHOOL BOARDS
9. PROVINCIAL AFFAIRS

SUMMARY OF RECOMMENDATIONS

The prime motivation for this report, in the minds of most municipal officials, was a sincere wish to reduce the cost of delivery of local government services to their own municipality. Some have expressed views related to the best interests of the area as a whole, but few have been open in their support for amalgamation of the three municipalities. This is perhaps a confirmation, both of the complexity of the issue and its political sensitivity.

The restructuring of local government is a matter which must be considered from several points of view. The case for restructuring must be based upon:

- whether or not restructuring would provide better government for the area
- whether or not the restructuring of the delivery of local government services would result in improved services on a cost-benefit basis
- whether or not the restructured government is accountable to its electorate
- whether or not there is a sufficient community of interest to justify an amalgamated municipality

There is no doubt in my mind that the best interests of the residents of all three municipalities would be best served by their amalgamation into a single municipality. The elected council of the new municipality would have jurisdiction over the entire area affecting the development of the new municipality. It would have adequate financial resources to deal with the area's problems and, through time, to resolve deficient areas requiring capital investment.

The creation of a single municipality would eliminate the costly duplication of effort and general administrative services which prevails today in the form of three administrative structures. Moreover, through amalgamation, an organized

approach can be taken towards planning the future development of the area. Residential and Industrial growth could be located in areas best suited to the region without concern over the resultant affect on three individual tax bases. Land use planning would be unencumbered by inter-municipal competitions.

Seldom has there been a better case for amalgamation of municipalities. The area presently behaves as a single community in all its aspects except those represented by local government. Kenora is the only municipality with administrative organizations in such areas as sewer and water and hydro-electric services, engineering, and major recreational and cultural facilities. There are no situations such as competing downtown cores to complicate the issue, and the area behaves as a single economic and social unit. The entire population of the tri-municipal area is served by the same printed and electronic media, and the total area is small enough for all residents to be familiar with and be affected by issues in all three municipalities. There would be, therefore, no difficulty for any resident to keep informed about local issues and the position being taken by the municipality's elected officials.

On a cost-benefit basis, it is apparent that greater savings and better service follow with increased co-operation. Certainly, it is true that many savings can be achieved without taking the final step towards amalgamation; however, this is only possible through a great number of individual contracts and agreements, each of which must be judged to be advantageous and equitable to and by all three municipalities. Past experience has not been encouraging with respect to the prospects for future tri-municipal endeavours.

In the case of more complex services, a full integration of service delivery could only be achieved through the introduction of a Tri-municipal Services Commission. Priorities for operating and capital budgets would be established by the Commission on an area-wide basis. As most of these decisions have political implications and involve considerable contact with the public, it is

essential that the commissioners be elected on an area-wide basis. As such, they would not be accountable to the three municipal councils.

The scope of the commissions' activities, including the administration of sewer, water, electric and telephone systems, as well as public works and roads, would give the Commission more responsibility than would be left to the municipal councils. The commission would become virtually the upper tier of a two-tier system of government. Since commissions are not as accountable or as open to public scrutiny as is the case for municipal councils, this is clearly not a desirable situation.

The final question, and perhaps the one of greatest concern, is the effect of amalgamation on the local taxes paid by the residents of the three municipalities. It may surprise many to learn that taxes would fall both in Kenora and Keewatin, and that they would only increase by a small amount in Jaffray-Melick. Moreover, if the electrical and telephone networks in the Township can be taken over by the new municipality, the effect would result in net annual savings even in Jaffray-Melick. This over-all reduction is due to greater provincial grants which are generated by the combined effect of Keewatin and Jaffray-Melick residential assessment, creating a higher resources equalization grant factor to be applied to Kenora's large tax base. This generates a substantially higher Resource Equalization Grant.

Consequently, this Summary of Recommendations will deal only with the Amalgamated Municipality. Should this event be delayed, there are immediate actions which may be effective in the short term. Recommendations regarding shared services, in the absence of amalgamation, have therefore been included as Appendix No. 1 to this Report.

1. THE AMALGAMATED MUNICIPALITY

(i) THE TOWN COUNCIL

The first council of the new municipality should consist of a mayor (elected at large) and twelve councillors who would be nominated and elected by wards. Seven wards would be formed within the portion of Kenora lying to the east of the Winnipeg River, three in Jaffray-Melick, and two for Keewatin and the portion of Kenora lying to the west of the Winnipeg River.

(ii) COMMITTEES OF COUNCIL

Consideration should be given to a committee structure for the first council similar to that recommended by the Kenora Management Study for Kenora, i.e. three standing committees which meet separately, reporting back to council.

Committee meetings of council should be open to the public except for portions of meetings where personnel, legal or other matters requiring confidentiality are being discussed.

The responsibility for the three committees would generally be divided as follows:

- 'Hard' Services - those services related to engineering, construction and the maintenance and protection of property.
- 'Soft' Services - those services related to people including bylaw enforcement.
- 'Administrative' Services - dealing with the organizational structure of the municipality including personnel matters, labour relations, and organizational and administrative structures and policies.

Council committees should be restructured to 6 to 8 members while ensuring that each of the former municipalities is represented on all committees. Rules of procedure should be established which will permit any councillor to attend any committee meeting and to participate in the debate. Voting privileges would be limited to official members of the committee and, of course, the mayor who is an ex-officio member of all committees.

(iii) PUBLIC PARTICIPATION

All meetings of standing committees should be held in public, except those portions of a meeting dealing with legal or personnel matters or other subjects demanding confidentiality. This is particularly important with a newly amalgamated municipality. Procedural bylaws should be established by the new council incorporating this requirement.

Ad-hoc committees of council should be permitted to meet in camera, provided they report initially to a standing committee.

To assist in the public information and consultation process area, committees should be established in each of the three former municipalities. These meetings would permit the administration and the area's elected representative to exchange dialogue on the proposed systems to deliver local government services. These committees could be dissolved after most changes had been implemented and modified based on operating experience; however, this judgment should be deferred at this time.

(iv) ADMINISTRATIVE STRUCTURE

The present administrative structure in Kenora is proposed for the new municipality with some modifications:

- (a) Municipal Clerk & Treasurer - minor changes in staff including part time operation of satellite offices in Keewatin and Jaffray-Melick
- (b) Public Works - would expand to take over operation of the electrical and telephone utilities in addition to its present functions in Kenora. It would also be responsible for the maintenance of parks, cemeteries and all public buildings and assets.
- (c) Social Services - in addition to its present duties, it would also administer recreational and cultural programs and the museum.
- (d) Planning and Development - a new department responsible for planning administration, by-law enforcements including parking and animal control, pound operations and industrial promotion and development.
- (e) Fire Department - re-structured to provide full time staff and equipment on both sides of the Winnipeg River and in the Rabbit Lake area.

2. SPECIAL PURPOSE BODIES

(i) LOCAL SPECIAL PURPOSE BODIES

To complement the administrative structure, I recommend that the following special purpose bodies be retained:

- A Planning Board
- A Public Library Board
- A Police Commission
- A Committee of Adjustment

To assist public input and volunteer effort, I recommend encouragement of two additional citizen's advisory committees:

- A Parks & Recreation Advisory Committee
- A Museum Advisory Committee

(ii) JOINT SPECIAL PURPOSE BODIES

No change except for relative cost sharing and representation is proposed for:

- the Kenora Board of Education
- The Kenora District Roman Catholic Separate School Board
- Children's Aid Society Board
- Board of Health, Northwestern Health Unit
- Kenora-Rainy River District Health Council

3. UNORGANIZED AREAS

Changes which would affect the unorganized areas include:

- With the structuring of the new municipality, representation by the unorganized areas on various special purpose bodies should be reviewed.
- I have recommended the extension of the boundary of the new municipality to include the McKenzie Portage Road local roads area.
- I have recommended that the new municipality provide building and plumbing inspection services under contract to the Province to service the unorganized area.

4. PROVINCIAL HIGHWAYS

The new municipality would normally take over any provincial highways within its borders, becoming responsible for 50% of the cost of future maintenance and construction. The municipal share drops to 10% for those highways which are designated as connecting links. As the total length of provincial highways to be transferred to municipal jurisdiction is substantial (62 km), it is important that no transfer be made until the highways are brought up to secondary highway standards. That the transfers should be staged to ease the impact on Provincial budgets.

Specifically, I recommend that:

- Highway 17 should be transferred as a connecting link.
- Highway 666 should be reconstructed to secondary highway standards, then transferred as a connecting link.

- Highways 659 and 598 should be reconstructed to secondary highway standards, then transferred as a municipal road.
- Highway 604 should be transferred as a municipal road.
- No transfers should be made until each highway is re-constructed to secondary highway standards or, in the case of the built-up areas, to an urban standard, complete with curbs and gutters.

5. SPECIAL AREA RATES

- Special area rates should be maintained as exist in each municipality whenever these rates include the capital charges for local services.
- Special area rates should be maintained in the amalgamated area. Those properties not benefiting from services such as sewer, water, and street lighting, should not pay taxes towards their support. Exceptions to this rule might be street lights along arterial roads, major sewage treatment and water supply facilities, and trunk works which can be considered a community-wide facility.

6. SECTION 86 RE-ASSESSMENTS

Individual municipalities in an amalgamation should be treated in the same manner as individual types of assessment within a municipality, in the event assessments are revised under Section 86 of the Assessment Act.

Assurance should be given to the amalgamated municipality that whether or not reassessment occurs, under Section 86, that no further change will occur for at least a five year period.

7. THE COST OF AMALGAMATION

Special financial assistance should be provided by the Province to defray extraordinary costs related to amalgamation. In addition to the cost of professional services, major demands can be expected to extend or upgrade service in the following areas:

- Police and Fire Departments (satellite stations and improved communications equipment)
- Municipal Office facilities
- Roads (the backlog in paved roads in Keewatin)
- Acquisition of Ontario Hydro and Bell Canada plant in Jaffray-Melick

8. RELATIONSHIP WITH SCHOOL BOARDS

A standing committee should be established consisting of appointed and elected officials of the municipality and the Kenora Board of Education.

The committee should meet, at least on an annual basis to co-ordinate:

- Long-term capital programs
- Co-operation in services delivery, particularly in the areas of transportation, recreation, library services, and services to children.

9. PROVINCIAL AFFAIRS

Throughout this Report suggestions have been made relating to the manner in which Ontario manages and regulates various local government services. The scope of this study does not permit a detailed evaluation of these items and whether or not other compensating formulas and grant structures effectively offset some disparities.

Nevertheless I believe there are a number of opportunities for improvement which warrant further examination by the Province. They are repeated here for ease of reference.

- (i) The Ministry of the Environment should reconsider its regulations affecting the construction of storm sewers in common trench with watermains in high cost areas. No restriction should apply to the location of storm sewers. (Recommendation No. 45)
- (ii) The Province of Ontario should contribute a share of the cost of operating the Tri-Municipal landfill in proportion to solid waste volumes delivered by residents of the unorganized area. Provincial dumps in the immediate vicinity can then be closed. (Recommendation No. 47)
- (iii) The Province of Ontario should review the Public Utilities Act and Power Corporations Act with a view to reducing the extent to which auditing of local utilities by Ontario Hydro is necessary. (Recommendation No. 52)

- (iv) Distribution of Health Unit costs should be shared on the basis of equalized assessment between participating municipalities. (Recommendation No. 55)
- (v) A Federal-Provincial review should be made of the cost and operation of the Detoxification Centre and the ambulance service. A determination should be made of the impact and cost of providing service to status indians. (Recommendation No. 57)
- (vi) The District Health Council, in conjunction with the area municipalities should review the Ontario Addiction Research Foundation Report in detail to determine the feasibility of implementation of its major recommendations. At the same time, the validity of future operation of the Detoxification Centre should be determined. (Recommendation No. 59)
- (vii) The Province should discontinue the practice of charging municipalities for a portion of the operating costs of Homes for the Aged. Operations are almost entirely regulated by the Province with little input provided by or requested from the municipalities. (Recommendation No. 63)
- (viii) Cost sharing between municipalities for Children's Aid Society costs should be based on the ratio of equalized assessment, the same method which the municipalities must use to recover these costs. (Recommendation No. 64)

- (ix) The Province should contribute a portion of the cost of day care centres on behalf of residents of unorganized areas, to the same extent as a municipality participating through a purchase of service agreement. (Recommendation No. 65)
- (x) Children's services should be co-ordinated on a Tri-Municipal basis with perhaps delivery of services to residents of the Unorganized Area through a contract with the Province. (Recommendation No. 66)
- (xi) In the process of determining the manner in which children's services will be delivered by the Province, consideration should be given to at least partial integration with the education system. (Recommendation No. 67)
- (xii) In its role of upgrading the cultural amenities of the region, the Ministry of Northern Affairs should be requested to consider special aid to upgrade library facilities in the area. Additional grants are justified, related to the union board's function as a regional resource library. (Recommendation No. 72)
- (xiii) The Province of Ontario, perhaps through the Ministry of Northern Affairs, should consider a differential in the per capita library grant for Northern Ontario Public Library Boards. (Recommendation No. 74)

- (xiv) The Province should review its policies with respect to planning assistance to municipalities with a view to reinforcing the professional capabilities of local municipalities. (Recommendation No. 77)
- (xv) Provincial assistance towards Kenora's Police Department should be increased recognizing the unique problems of law enforcement faced by a small community with limited resources. (Recommendation No. 22)
- (xvi) Where the Ontario Provincial Police provide police protection, statistical data on costs, activity, incidence of crime, prosecutions, convictions, etc. should be maintained and reported annually to each municipal council. (Recommendation No. 24)
- (xvii) Special efforts to recruit and train additional Indian police officers, both for the Kenora and Provincial Police, should be continued. Both departments should maintain senior personnel fluent in the Ojibway language and able to communicate effectively with the Indian bands in the area. (Recommendation No. 25)
- (xviii) Special awareness and educational programs related to alcohol abuse and the area's social problems should be implemented in the schools, on the Reserves, and to the public at large. (Recommendation No. 26)

- (xix) Special funding should be provided to rehabilitation organizations, from all three levels of government, with particular attention given to the problem of alcohol abuse. (Recommendation No. 27)

- (xx) The Kenora Police Commission and Ontario Provincial Police should hold periodic public meetings to review police policies and programs and to permit public interaction. Such meetings would be an excellent vehicle for the presentation of an annual report, outlining key result areas, with a separate meeting to present the annual budget and program for the coming year. (Recommendation No. 28)

1. INTRODUCTION

1. INTRODUCTION

The purpose of the Kenora Area Local Government Study is to examine and evaluate the manner in which local government services are delivered in the Kenora, Keewatin, Jaffray-Melick area. This entails an analysis of the three municipalities on an individual basis, together with an overview of the situation as it affects the area as a whole. The study also investigates the role played by the Province and the many local and provincial agencies and boards who provide service to the area.

A detailed description of the fabric of local government services has been set out in the Interim Report.¹ Since the presentation of the Interim Report, certain changes have occurred in all three municipalities. Some of these are significant and there were a number of distortions contained in the report which have been drawn to my attention during the review process. Since the purpose of the Interim Report was to set out an understanding of the operation of local government in the area and to offer an insight into the direction of my conclusions, I will not devote time and space to updating or correcting minor discrepancies in this final report. Rather, I will attempt to provide a brief overview of local government services and an evaluation of their effectiveness in serving the residents of the area. The scope of this report is too limited to provide specific recommendations for administrative re-structurings.

¹. Kenora Area Local Government Study Interim Report

1.2

There is a tradition of dissatisfaction with previous inter-municipal agreements and arrangements which has contributed to a breakdown in efforts towards greater co-operation. A prime factor in this situation is the lack of effort devoted to the preparation of agreements governing co-operative undertaking between the three municipalities. Decisions are sometimes made without adequate research and analysis and the resulting agreements lack provisions for the resolution of conflicts and the arbitration of disputes.

If, in discussing changes to local services, my evaluations and recommendations have appeared to disregard the complexities of inter-governmental affairs and public endeavours, this is not the case. Meaningful change will only come about through considerably more analysis and discussion between municipal and provincial representatives and the residents of the area. In this process, obstacles such as jurisdictional boundaries, existing legislation and regulations should not, at the outset, be taken as absolute barriers to change, but simply another factor to be dealt with.

2. CONDUCT OF THE STUDY

2. CONDUCT OF THE STUDY

On February 20, 1978 a joint meeting of the Councils of Keewatin Kenora and Jaffray-Melick confirmed my appointment as Commissioner of the Kenora Area Local Government Study. Following my preparation of a detailed work program and budget and its subsequent approval by the Ontario Ministry of Treasury, Economics and Intergovernmental Affairs work commenced on the study.

Mrs. Johanna Veldstra, a professional planner and a resident of Kenora, was retained as a research assistant for the study and offices were established in downtown Kenora.

The analysis of the financial aspects of this study together with considerable data collection was carried out by Mr. Mike LeSurf, Field Services Officer, with the Thunder Bay office of the Ontario Ministry of Treasury, Economics & Intergovernmental Affairs.

Preliminary meetings were held with all three councils by the end of February and several press releases were issued to inform the public of the nature of the study. Specific input was gathered in a number of ways:

- (i) A lengthy questionnaire was prepared through consultations with TEIGA and completed by the Clerks and other members of their administration for each of the three municipalities.
- (ii) Interviews were held by myself and/or my research assistant with every board, agency, commission, federal and provincial government ministry and department, having jurisdiction in the area.

- (iii) Briefs were requested from the public at large and specifically from all boards, commissions, agencies and provincial ministries.
- (iv) A public survey was carried out to determine the evaluation of local government services by area residents. This survey was carried out by the students of Beaver Brae Secondary School and the results compiled by my staff.
- (v) Letters were sent to all organizations in the area including local roads boards and representatives serving the unorganized area.

There was substantial interest in the study and excellent co-operation from the agencies and administrations contacted by commission staff, although few briefs or written statements were produced.

I am particularly grateful to Mr. B. Oussoven and Mrs. D. Clarke, the two teachers at Beaver Brae and their students for carrying out our Community Attitude Survey. I would also like to acknowledge the effort of the Kenora Public Library Board who produced an excellent brief which was very helpful.

In the summer of 1978, I established residence in Kenora to carry out interviews and began to try to understand the fabric of local government in Kenora. During this period, I attended a number of service club meetings as guest speaker, several council meetings and meetings of a number of boards and commissions.

A heavy work load and an extended personal illness delayed my presentation of the Interim Report until February, 1979. The preliminary report was reviewed in considerable detail, individually with each municipal council.

The Kenora Miner & News provided extensive front page coverage of the Interim Report in June, 1979 in a co-operative effort to stimulate the public hearings which were held at each of the three council chambers. CJRL Radio in Kenora also provided good coverage and invited me to participate on their open-line show which attracts a large listening audience. Public response however, was disappointing. Only eight Jaffray-Melick residents attended, three from Kenora and one from Keewatin. Eight residents from Pellatt and two from Kirkup Township represented the unorganized residents. The small turnout however, permitted longer conversations and perhaps more detailed comment than would have otherwise been possible.

All boards, commissions, committees, agencies and all ministries of the Ontario Government were also sent copies of the Interim Report and invited to comment. The summer vacation period and other priorities delayed the response of many agencies, however, the last was secured by November, 1979.

If the duration of this study has exceeded everyone's expectations it is hoped that its ongoing activity has been a positive catalyst to several accomplishments in tri-municipal endeavours. During the period progress was made towards tri-municipal operation of the new landfill site and the regional water supply and sewage treatment facilities. The extended period has permitted me, as Commissioner, to gain a better knowledge of factors affecting the organization and delivery of local government services, which I hope has benefited the study.

3. BACKGROUND

3. BACKGROUND

(i) HISTORICAL SETTING

Since its original settlement in 1870, the growth of the Kenora, Keewatin, Jaffray-Melick area has been closely tied to economic development activities. The presence of a fur trading post stimulated the initial settlement in Kenora. Succeeding activities have caused changes in population distribution, prosperity and in requirements for local government service. The most significant of these were the construction of the railways, the development of major forest product industries, and the development and demise of the Keewatin Flour Mill. Organized municipal government became necessary, in the case of all three municipalities, in order to raise taxes to construct schools.

The boundaries of the existing municipalities have remained unchanged since all three were first incorporated between 1905 and 1911; however, substantial changes have occurred in the distribution of population and economic activity.

Keewatin developed initially due to the construction of a major flour mill and related manufacturing. This development provided significant employment and commercial assessment which permitted the Town to offer a broad range of municipal services to its residents. With the demise of the flour mill in 1967, Keewatin has become substantially a dormitory community to employers located in Kenora.

Jaffray-Melick contains some of the area's better agricultural land. As Kenora and Keewatin have virtually no agricultural lands at all, this area was attractive to early homesteaders who also participated

in the substantial woodcutting activity which prevailed. The Township has remained substantially rural in nature although urban residential development has occurred in the Rabbit Lake area. The high cost of underground services in the rocky terrain of Kenora and Keewatin is creating pressure on the Township in the form of new subdivision development. This urban development has created a demand for a higher level of municipal services including garbage collection, sewer and water systems and the development of parks and recreation facilities. With the decline of agricultural activities in the Township and the lack of municipal services, shopping or employment opportunities it has also become a dormitory community for employers located in Kenora.

The Province has provided massive financial assistance in recent years to assist all three municipalities to develop or extend sanitary sewers and watermains. The Keewatin system is now operational and this has stimulated some housing construction. The same is true in Kenora where the extension of services has encouraged in-filling in the Norman and Brickyard areas. A large area in the southeast area has been opened up which is suitable for the development of new subdivisions. Sewer and water services are to be extended into Jaffray-Melick commencing in 1980. Here the cost of future servicing will be the least as rock is generally less prevalent. The Township contains the only suitable topography for the development of future industrial sites; however, the lack of services and the general absence of significant economic growth in the region has resulted in minimal activity to date.

(ii) COMMUNITY INTER-RELATIONSHIPS

The three municipalities have developed around the employment and major government services offered in Kenora. Virtually all retail

shopping services and federal and provincial government offices are located in Kenora. The hospital, cemetery, major recreational complex, all hotels and major tourist accommodations are all located in Kenora as is the high school, court house and jail. The Kenora radio and television stations and newspaper service the entire area. Public transit is provided to all three municipalities by the privately owned and operated Excel Coach Lines.

The Town of Kenora presently operates the regional water filtration and sewage treatment plants and a sanitary landfill which serves both Kenora and Jaffray-Melick. Kenora is in the process of developing a new sanitary landfill which will serve all three municipalities. Kenora also operates the area's only cemetery.

There is evidence of strong individual identities in all three communities and also in sub-areas within these communities such as Norman and the Rabbit Lake area. Identifiable communities have also formed in the unorganized areas out of the necessity to provide for road maintenance and occasional recreational services.

These individual identities are both a strength and a weakness to the area. The strength lies in the encouragement of community spirit, healthy competition and greater interest in some activities such as service club endeavours and sports. This same competition however, limits the effectiveness in the Tri-Municipal area both in the delivery of local government services and in the efficient utilization of provincial and municipal tax revenues. The level of local government service varies considerably from jurisdiction to jurisdiction and sometimes even within individual municipalities.

3.4

The Tri-Municipal area is unique in the fact that it represents an island of urban development with organized local governments and school boards surrounded by more than fifty miles of unorganized area. Residents in these unorganized areas rely on the organized communities for the delivery of most local government services. In many cases, the Province contributes towards the cost of these facilities on behalf of unorganized area residents. The direct cost to unorganized area residents is assessed by the Provincial Land Tax. This tax appears to be completely out of proportion to the cost of servicing these residents.

There are few significant variations in the demographic characteristics of the populations for the three municipalities or for the adjacent unorganized areas. None of the variations would be a factor in evaluating the merit of a re-structuring of local government for the area.

The Tri-Municipal area has experienced virtually zero growth over the last fifteen years. Individually however, Keewatin and Kenora have experienced a decline in population which has been offset by a significant increase in population in Jaffray-Melick. A review of the age distributions of the populations suggests that younger families may be moving into the Township. From my discussions with Ontario Hydro, it is also apparent that increasing numbers of people are converting summer residences into permanent homes. The lower taxes and year-round access to Lake of the Woods are powerful factors in encouraging this migration.

(iii) ECONOMIC BASE

The economy of the Tri-Municipal area is dominantly resource-related, particularly in the sectors of forestry and tourism. In recent years, there has been a substantial growth in employment in the public sector as Kenora has become a key administrative centre in the District. De-centralizing and re-organization of the Ontario Ministry of National Resources and the Ministry of the Environment and the creation of the Ministry of Northern Affairs have created many new jobs. To a lesser extent, the same has also been true of other ministries and agencies.

Existing employment is apparently as secure as any could be in this period of economic instability and high inflation. Prevailing concerns over the future competitive position of Canada's pulp and paper industry, the accelerating cost of transportation and the problems in renewing Ontario's depleting forestry resources are of particular concern to the Kenora area.

Potential opportunities for new economic development have been identified in a number of areas, although to date neither the public nor the private sector has responded with much interest.

- It is believed that some use could be made of the area's hardwood resources, perhaps to support a woodworking industry.
- Some interest has been expressed in the re-opening of some of the area's many abandoned gold mines. This would be a relatively short term factor in increased economic activity.

- Opportunities exist for expansion in the area's tourism industry.

The lack of information on the potential represented by these opportunities may be a factor in the disinterest exhibited by the private sector. At the same time, there may be barriers to future development which should be identified and resolved. For example, the lack of parking, traffic congestion and in some cases, the absence of sewer and water service is an impediment to continued development along the Lake of the Woods waterfront. In some cases, the problem is compounded by the presence of derelict structures and facilities, unsuitable Zoning By-laws and land ownership patterns.

There is considerable demand for cottage lots in the area; however, the lack of crown lots, the subdivision approvals process and the problems related to environmental protection have both limited the supply and increased the cost of cottage sites being offered for sale. The summer resident represents a significant portion of the total trade volume of the area today. Additional development of summer residences still represents a major potential for future economic activity, although environmental protection considerations may have to be given a lower priority than is the case today if this potential is to be fully exploited.

4. THE ROLE OF LOCAL GOVERNMENT

4. THE ROLE OF LOCAL GOVERNMENT

With each passing year, the business of managing our society becomes more complex. With this increasing complexity has also come a greater transfer of responsibility to government and its agencies and particularly to local governments. From a background in which local governments were formed solely to finance schools, we now find local agencies and municipalities delivering a broad range of services requiring a wide range of professional skills for their successful management. Increasingly, we see the Federal Government providing block funding to the Provinces who establish priorities for programs. An increasing proportion of these programs and projects are being initiated and managed by the municipalities and the various local boards, commissions and agencies.

Local government is generally acknowledged to be the most accountable level of government. Most of the issues it faces are familiar to the public who have ready access to municipal councillors and administrators. Direct public participation is common at council meetings. Over the years, government has attempted to decentralize in order to bring governing authority into closer contact with those being governed. This philosophy is consistent with the notion that the most efficient and practical means of resolving community problems is at the local level, provided that the scale of operations is sufficiently large to justify the administrative resources necessary.

The trend towards decentralization has demanded considerable growth in the professional and administrative capabilities maintained by municipal government. Frequently, municipal governments represent the largest business operation in their jurisdiction and are compelled

to maintain professional and management capabilities to manage public services ranging from cultural and recreational facilities to public utilities. Both the capital and operating costs of these facilities are enormous, requiring substantial transfers of federal and provincial funding towards municipal endeavours. The local municipality, particularly the urban municipality, is the final administrator of an ever-increasing variety of services and facilities. To be successful, a local municipality must exhibit certain characteristics:

- It should have jurisdiction over the entire area it must service and which affects its development.
- It should operate on a scale which allows it to function properly, providing high standards of service in an efficient manner.
- It should involve the public as much as possible in the decision-making process and be accountable to its electorate.
- It must have the financial resources to be able to retain qualified administrators and professionals for the management of its affairs and to represent itself properly with senior governments.
- The area governed by a municipality must exhibit a sense of community identity.

The increasing complexity of local government has prompted the creation of a wide variety of boards, commissions and other special purpose bodies. These, in many cases, are required by provincial legislation. Others are initiated in order to relieve municipal

councils of managing certain operations. Frequently the work of volunteer board or commission members eliminates the need for permanent staff.

Many boards and agencies are established by the province to administer provincial functions affecting a number of municipalities. The local boards then provide a local input into the management of various provincial facilities.

Provincial policy in recent years has been tending to reduce or eliminate boards and special purpose bodies which tend to dilute the authority of elected councils in areas where municipal budgets are affected.

The role of local government and local agencies is to manage the local affairs of the municipality:

- It must be able to perform all local functions required by legislation and those within its legal ability to meet local needs
- It must have the professional and administrative staff to manage municipal resources prudently and to provide the necessary advice and expertise to council.
- It must be able to identify and set priorities for local needs.
- Local government must be flexible enough to provide variable levels of service within the community. Taxation should also vary to recognize the levels of service being received.

5. ALTERNATIVES FOR
LOCAL GOVERNMENT

5. ALTERNATIVES FOR LOCAL GOVERNMENT

a) THE STATUS QUO

At the present time, three separate municipalities exist serving the public in the study area. Surrounding these three municipalities is a vast expanse of unorganized territory. The six unorganized townships immediately adjacent to the three municipalities are experiencing some growth⁽ⁱ⁾ in permanent residents, particularly in prime waterfront locations. These areas are formed into local roads boards and, in one case, a statute labour board for the purpose of road maintenance.

One option for the fabric of local government structure is to maintain the present structure, with perhaps increased co-operation between the three municipalities. This option could also include minor adjustments to existing municipal boundaries where it was deemed appropriate. To assess this option, I have included an evaluation of existing local government services as delivered today to the area's population. Comments are included on the merits of co-operative delivery of various services.

Kenora is by far the largest of the three municipalities offering the broadest range of local government services. It receives the benefit of the majority of the region's commercial and industrial tax base accounting for 55 per cent of its total assessment.

It has developed a sophisticated administration offering professional advice to its elected representatives on all issues. Kenora

(i) Kenora Area Local Government Study
Interim Report, page 36.

administers a number of facilities which provide service to the residents of the other two municipalities. In the case of the cemetery, the sanitary landfill, the water and sewage treatment plants and the day care centre, costs are shared more or less in proportion to the use made by each municipality, and the facilities are Tri-Municipal in nature. Kenora Hydro operates in Keewatin as if it were simply an extension of Kenora. Some facilities are only available in Kenora and operating deficits are funded entirely by Kenora. These include the area's major library service, although Keewatin has its own local library which is used extensively by Keewatin residents. It should also be noted that there is a Public Library Board established in the Township of Jaffray and Melick. The Board has operated a lending service from time to time but presently donates its provincial per capita grant to the Kenora Public Library Board. Kenora receives no assistance towards the operating deficit of the Kenora Public Library, the Kenora Recreation Centre (which houses the area's only swimming pool) or the Museum from the other two municipalities. To date, this has not resulted in higher user costs for non-residents of Kenora. Kenora has administered a full range of building and planning controls for some years, its own municipal police force and full-time fire department.

(i) Kenora

Kenora, with a population of slightly less than 10,000 people and with a healthy commercial industrial tax base is at an awkward size. It has developed to a point where its residents demand and require the full range of local government services available in larger centres. In most cases, this service is being provided. Senior administrative staff are in place to manage today's sophisticated system of local government. As a result, Kenora has a considerable surplus capacity represented by its senior management, professional staff and various service departments, their facilities and equipment. This same staff is capable of effectively managing the affairs of a much larger municipality.

(ii) Keewatin

Keewatin is as urbanized as Kenora but suffers a considerable disadvantage with its lack of commercial-industrial assessment. Residential-farm assessment accounts for 79 per cent of Keewatin's total. With a total population of approximately 2,000 the Town can only support a small administration, much of whose energies must be devoted to the business of meeting the legal obligations of municipal incorporation. In spite of these constraints, Keewatin operates an ambitious recreation program, a volunteer fire department, its own library and telephone system and has recently adopted a comprehensive zoning by-law and housing policy statement. As with all three municipalities, community spirit is particularly strong. Typical of the community's spirit is the recent fund raising and volunteer program which resulted in the replacement of the town's arena and curling club which had been condemned due to structural deficiencies.

Keewatin has, at times, taken advantage of services and facilities available from Kenora. Examples include the after hours use of Kenora's street sweeper, building inspector and pipe thawing equipment. Keewatin residents are serviced directly by the Kenora Hydro Electric Commission at the same rate structure as applies to Kenora. Unlike Kenora residents however, they have no vote for hydro commissioners. Keewatin receives police service at no cost from the Ontario Provincial Police. The Ontario Ministry of the Environment operates the local sewer and water system including a number of sewage pumping stations and emergency generators. The Ministry have only one employee and a working arrangement with a private contractor. The Province has requested that the Town take over the operation of the system; however, concern over system deficiencies has delayed this process.

Keewatin lacks the financial resources and the scale of operations to justify the senior management and professional staff desirable to manage a modern municipality.

Vacations, sickness and equipment breakdowns create substantial inefficiencies at times and it is not always possible for the municipality to respond to multiple demands in service areas which share the services of the small public works force. Charged with the closely regulated day-to-day operation of a municipality and its services and utilities, it is difficult for the administration to find the time to provide detailed reports to town council to assist them in their decisions. The lack of access to professional staff further limits this function. Major programs such as the recent installation of sewer and water service virtually overwhelm both council and administration in processing applications, establishing rates, dealing with public complaints, and processing building permits and inspections.

Many of the Town's internal procedures for bookkeeping, invoicing and accounting are manual and therefore time consuming and labour intensive. Similarly many maintenance operations (even street sweeping) must be performed manually as the scope of some functions is too limited to justify the purchase of costly mechanized equipment.

(iii) Jaffray-Melick

Jaffray-Melick is in a different situation than either of the other two municipalities. Most of the township has retained its rural character, except that logging operations have virtually ceased and there has been a decline in farming activity. Most of the Townships arterial roads are secondary highways requiring no financial contribution towards their maintenance and reconstruction. The township provides limited recreational programming and its public works activities are, for the most part, limited to road and drainage works. A volunteer fire department is financed by the Township. Police protection is provided by the Province at no cost. With the possible exception of road maintenance and animal control, the Township appears to be fulfilling the needs of its residents and maintains the lowest tax levels in the area by a substantial margin.

Significant changes have occurred in the Township since the issue of the Interim Report. Design of the sewer and water system is now nearing completion and the first stage of construction will commence in 1980. This has generated new interest in two known subdivision developments and others can be anticipated. As the only area suitable for industrial sites, parallel development growth in commercial and industrial development can be expected. The Township has recently hired a part-time building inspector and by-law enforcement officer and is in the process of implementing a Comprehensive Zoning By-law. The Township's garbage collection is now being contracted to private enterprise. As is the case with Keewatin, the Township's resources and scale of operations do not justify the luxury of full time professional and senior management staff. The small public works department and administration has little reserve capacity. Conflicting priorities can often lead to inefficiencies.

There is evidence that the growth in urban development in the Township may create demands for a broader range of services than is presently available in the municipality today. The need and government support for a communal sewer and water network is a direct result of the urban development east of Rabbit Lake, as was the case for garbage collection service introduced some years ago. Demands for additional recreational facilities and programs can be anticipated together with new requirements for road, sewer and water maintenance and administration. Utilities invoicing and public involvement will demand expansion of the municipal offices and staff to service these new areas of local government activity.

(iv) The Unorganized Townships

The unorganized areas enjoy a simple form of organization in the areas adjacent to the three municipalities. Road maintenance is administered by a number of Local Roads Boards and one Statute Labour Board.

This structure has proven to be quite efficient in dealing with their needs at minimal cost. Recent legislation has now enabled the outlying areas to form Local Services Boards which can administer fire protection equipment, develop individual or communal sewage and water systems, or recreational facilities appropriate to the rural areas. The population of the rural areas is quite small although some growth is evident. The organized areas for the most part create few demands on the municipalities as settlement areas are remote from municipal boundaries, usually concentrated along river or lake frontages. The lack of organized government however, creates a number of problems and inequities:

- (i) While it is impractical for the three municipalities to provide most services to the scattered development in the unorganized townships, residents in these areas still make use of major recreational and cultural facilities offered to non-residents. Although they contribute no taxes towards these services, they enjoy the same privileges as tax-paying residents.
- (ii) Certain services provided by organized municipalities are not available to residents in the unorganized areas. Land use controls, building inspections, subdivision development controls and environmental protection measures all fall under provincial jurisdiction in the absence of a municipal government structure. The Province is not presently able to deliver these services effectively. There is virtually no building inspection carried out in the unorganized townships, and the lack of building and zoning standards has resulted in some blight.

- (iii) The cost of education for residents outside the school district is paid by the Province to the school boards on the basis of the average cost per student. This formula does not take into account the higher unit cost for transporting students from these areas. The actual direct cost to the residents of the unorganized areas bears no relationship to the cost of services provided to them. Education taxes appear to be based on disproportionately low assessment in comparison with residents of the organized municipalities. Properties beyond the limits of the school district are completely exempt. The only non-educational property tax is the Provincial Land Tax, whose low rates are almost not worth the cost of the collections. This situation does little to discourage migrations into the unorganized areas. It could also be argued that the inability of the Province to control development in the unorganized areas is creating an inventory of unnecessary blight, deficient housing, and further escalating health and education costs. Due to the limited populations, this may not yet be the case in the Kenora area, however the warning signs are present and action is needed.

Summary

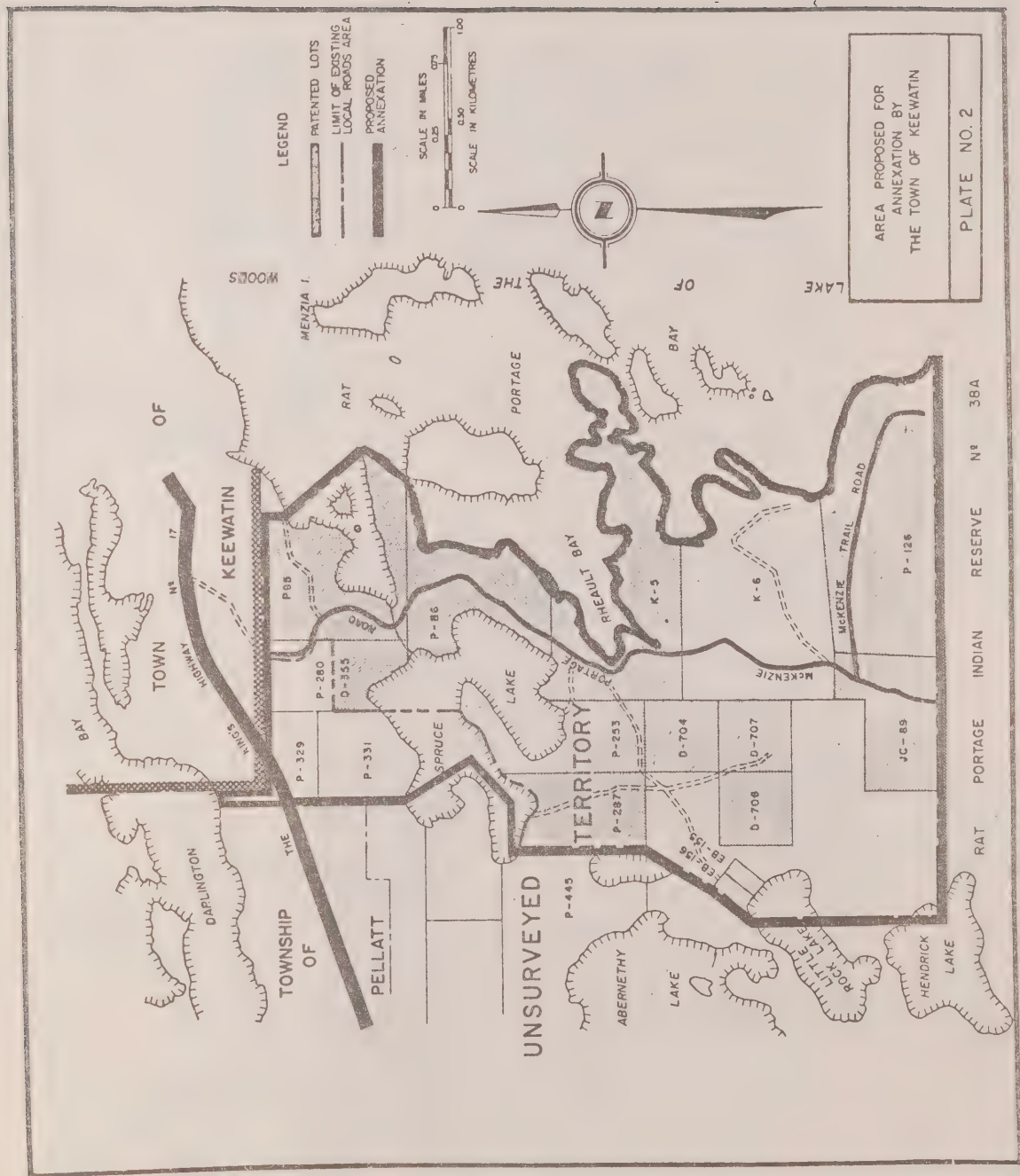
Maintaining the status quo would seem to continue a situation where Kenora's sophisticated administrative structure, professional staff and elaborate maintenance and operational systems are under-utilized. At the same time, both Keewatin and Jaffray-Melick would continue to struggle with the opposite problem - too many tasks to be performed by too few people with inadequate access to professional advice.

(v) The Suitability of Existing Municipal Boundaries

In becoming familiar with the nature of the co-operation of the existing municipalities and the surrounding unorganized townships, I requested input and investigated situations where relocations of existing municipal boundaries might be appropriate. Two suggestions came to my attention:

(i) Extend the Keewatin Boundary to Include the McKenzie Portage Road:

The Town of Keewatin has complained for some time that it must maintain a short portion of the McKenzie Portage Road although there is no assessment generated by this area. The cost of this maintenance is relatively low; however, it is apparent that considerable development activity is occurring throughout the length of this road. Small commercial operations, a sawmill and a significant number of permanent residents are located all the way from the Keewatin boundary to the Indian Reserve. This area is immediately adjacent to Keewatin and could easily be serviced by Keewatin's road maintenance, garbage collection services, fire protection and other municipal services. Annexing the area to Keewatin would bring the development activity under municipal land use control; protecting the investment of existing property owners. This would necessitate negotiations with Ontario Hydro and Bell Canada as these utilities should then be taken over by Kenora Hydro and the Keewatin Telephone Department.



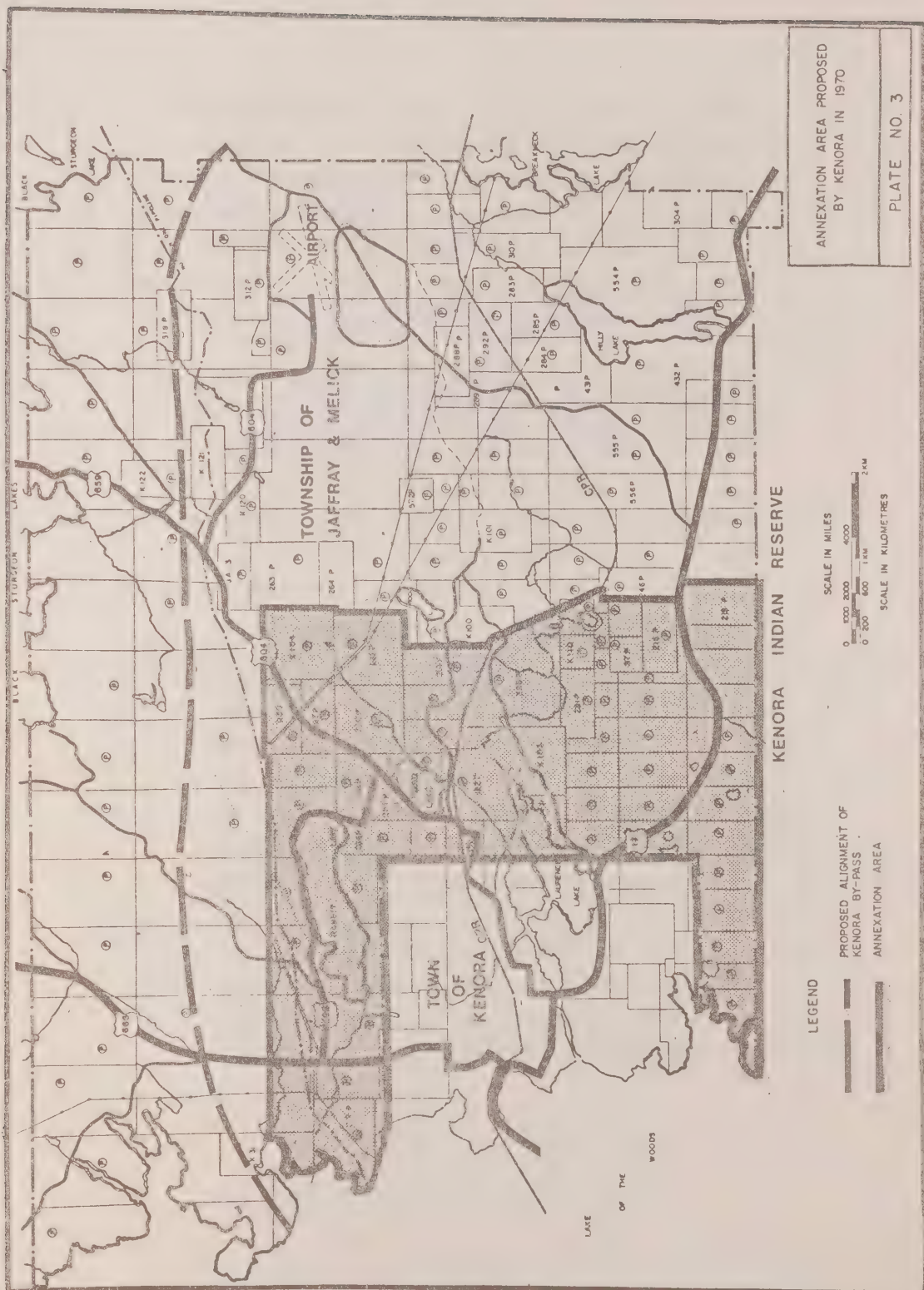
The decrease in utility costs and the availability of lower cost fire insurance should partially offset the higher cost of municipal taxes to the properties along McKenzie Portage Road while at the same time provide needed revenue to Keewatin. Aside from the cost of acquisition of Bell Canada and Ontario Hydro plant, the additional costs to Keewatin to service the area should be much less than the revenue generated.

RECOMMENDATION NO. 1

THE KEEWATIN MUNICIPAL BOUNDARY SHOULD BE EXTENDED TO INCLUDE THE MCKENZIE PORTAGE ROAD AREA AS SHOWN ON PLATE NO. 2.

- (ii) Extend the Kenora Boundary to Include the Urban Portion of Jaffray-Melick

This proposal was the subject of Kenora's abortive annexation effort of 1970 which was described on pp 11-12 of the Appendix of the Interim Report. The prime objection to this annexation was that it removed the bulk of the assessment from the Township while leaving it with the majority of its problems (road maintenance in the outlying areas).



This conclusion was not reached as the product of a detailed assessment and may not be true as additional services are provided by the Township to its growing urbanized area. There is no doubt that the residents of the urban area will obtain many services from Kenora and that their needs are substantially different from the residents of the rural areas of the Township.

The scope of this report does not permit a detailed assessment of this possibility except to note that the inclusion of this area would not tax Kenora's service and administrative systems and would permit orderly development of new residential, commercial and industrial lands to contribute to the tax base which must support major regional facilities. It would also permit the Township to return to its rural character, a situation with which the municipality is better able to cope.

RECOMMENDATION NO. 2

THAT IN THE ABSENCE OF AMALGAMATION OF JAFFRAY-MELICK WITH KENORA, DETAILED STUDIES BE CARRIED OUT TO DETERMINE THE IMPACT OF ANNEXING THE AREA DESCRIBED IN KENORA BY-LAW 1949 TO KENORA AS SHOWN IN PLATE NO. 3.

The intent of this recommendation would be to confine future high density development requiring communal services to Kenora, permitting continued infilling in Keewatin and large estate lot and farm development in the Township. The northerly boundary of the annexation proposed might be better selected as the south limit of the proposed By-Pass Highway corridor; however, this is a judgment better left to the annexation study.

No other expansion or adjustment of municipal boundaries seems appropriate at this time. Development in the un-organized townships is relatively sparse and widely separated from the existing municipalities. Servicing

the areas of the greatest density such as the Longbow Lake area, Clearwater Bay and Minaki is completely impractical. These areas may find Local Service Boards more appropriate to their needs if additional services and provincial assistance is required. Since I have received no indication of any needs from either unorganized area residents or from the provincial ministries, I will leave further comment related to unorganized areas to later sections of this report.

b) SHARED SERVICES WITHOUT AMALGAMATION

Although the three municipalities have entered into a number of co-operative arrangements and continue to do so, past problems have created some animosities and barriers to future shared arrangements. My discussions with area residents, local boards and elected and appointed officials have been enlightening and I offer the following as background input to those charged with developing future shared service agreements.

(i) Cost Sharing

There are a number of options available when considering the manner in which costs will be shared for facilities and services which are to be operated on a joint basis. Costs could be shared on the basis of relative populations, usage, and equalized assessment. The most successful approach, however, will likely be to levy costs against users and the property tax base in the same manner as if the area were one large municipality. Variations in assessment between the three municipalities may be necessary, i.e. where

one municipality may have borne previous capital costs for a facility or situations where one municipality may require more elaborate administration than the others.

This policy is only appropriate for services which are operated on an area-wide basis including the determination of priorities and variations in level of service. In situations where one municipality may provide excess or after-hours capacity to another, once its own priorities are satisfied, a different philosophy is necessary, as appropriate to each situation.

It is neither necessary nor always appropriate to assume that both capital and operating costs should be shared on the same basis. Traditionally, capital costs are shared within one municipality on the basis of the assessed value of those properties considered to benefit from the project. Operating costs frequently are charged back to those individuals or properties using the service on a user-pay basis. This approach may be equally valid for the sharing of costs of Tri-Municipal endeavours. Some may argue that sharing of capital costs on the basis of equalized assessment would result in the smaller municipalities gaining the advantage of Kenora's substantial commercial and industrial tax base. The notion of sharing costs on the basis of the individual's ability to pay is common to most levels of

taxation today. Moreover, it must be realized that a substantial portion of Kenora's tax base is created and supported by the residents of the two smaller communities who form an ever-increasing proportion of Kenora's market area. Sharing the capital costs of joint facilities also recognizes that the largest municipality has the greatest need for major facilities and services. It usually demands a more sophisticated level of service than would be the case for a smaller municipality. Over-sizing such facilities to provide capacity for the smaller municipalities is usually accomplished at relatively small increments of increased capital cost.

RECOMMENDATION NO. 3

CAPITAL COSTS FOR SHARED SERVICES SHOULD BE DISTRIBUTED ON THE BASIS OF EQUALIZED ASSESSMENT. OPERATING COSTS SHOULD BE DISTRIBUTED ON A USER-PAY BASIS.

(ii) Determination of Costs

Considerable effort should be expended, including the employment of special advisors, to produce cost estimates for Tri-Municipal projects. Cost over-runs

may not affect the municipality with substantial reserve funds and a high priority for the particular budget allocation. The same relative over-run may be intolerable for the partner whose priority for the service was low in the first case.

RECOMMENDATION NO. 4

PRELIMINARY COST ESTIMATES SHOULD BE PREPARED IN CONSIDERABLE DETAIL TO REDUCE THE POSSIBILITY OF MAJOR OVER-RUNS WHICH COULD BREAK DOWN INTER-MUNICIPAL AGREEMENTS.

Inevitably, the shared service will be operated by one of the municipalities unless another level of administrative structure is proposed. As is common practice when municipal services are costed, some allowance should be included for the added administrative burden incurred by the municipality called upon to administer the service. Depending on the nature of the service and its administration, this mark-up on direct cost will vary; however, it should be considered part of the operating cost of the service.

RECOMMENDATION NO. 5

THE MUNICIPALITY DELIVERING THE SHARED SERVICE SHOULD INCLUDE A PRE-DETERMINED MARK-UP FOR ITS ADDITIONAL ADMINISTRATIVE BURDEN WHEN CALCULATING THE TOTAL OPERATING COSTS.

(iii) Inter-Municipal Agreements

Agreements and contracts involving public agencies rank among the most complicated and protective in our society. In order to protect the public interest, complex tendering procedures, deposits, guarantees, pre-qualifications, standards of performance and provisions for arbitration of disputes are the absolute rule. Although cash deposits, bonds and holdback arrangements may not be justified in the case of inter-municipal agreements, it is essential to develop comprehensive documents which clearly set out procedures for operation, cost determination and apportionment, auditing and the adjudication and arbitration of disputes between municipalities.

Tender calls must anticipate a longer review process and a much greater possibility of project cancellation. Cancellation of projects or the delivery of services or the termination of participation by one or more municipalities must be anticipated. Periods of minimum notice, winding up arrangements and procedures to guide future expansions are a vital part of any agreement.

RECOMMENDATION NO. 6

INTER-MUNICIPAL AGREEMENTS SHOULD BE THE PRODUCT OF CONSIDERABLE PREPARATION INVOLVING THE SOLICITORS FOR THE AFFECTED MUNICIPALITIES. ADEQUATE PROTECTION AND PROVISIONS FOR ARBITRATION, CANCELLATION, AND STANDARDS OF PERFORMANCE SHOULD BE INCORPORATED TOGETHER WITH PROVISIONS FOR PROCEDURES FOR WINDING UP OPERATIONS AND FUTURE EXPANSIONS.

(iv) Existing Multi-Municipal Operations

At the present time, the only services operated on a Tri-Municipal basis are the regional water treatment plant and the cemetery, although the existing sanitary landfill and sewage treatment plant are operated on a bi-municipal basis. It is expected that Keewatin will join with the other two municipalities in the landfill operation and, of course, Jaffray-Melick will automatically begin to use the regional sewage treatment plant as soon as its proposed sanitary sewer system is operational. Kenora operates all these facilities. A Tri-Municipal Sewer & Water Authority being established to review annual budgets and the final statements of operating costs for the regional water and sewage facilities. The Authority will verify the final sharing of operational costs based of the relative consumption of water and generation of sewage flows by each municipality.

The cost of the existing Kenora/Jaffray-Melick landfill today is shared by the two municipalities on the basis of relative populations. It has been recommended that the operating cost of the new Tri-Municipal sanitary landfill be shared on the basis of quantities of solid waste generated by each municipality. This recognizes the added quantities of solid waste which are generated by the commercial

and industrial operations in Kenora and the fact that operating costs are almost directly proportioned to the volume of solid waste handled. It is not clear yet how start up costs will be shared. Cemetery costs are divided proportionally to the populations of the three municipalities.

For all of these major shared services, certain characteristics are common:

- The priorities for these facilities are identical for each municipality using them.
- The level of service provided to each municipality is equal; operational procedures are closely regulated by an outside agency, the Ontario Ministry of the Environment.
- Individual members of the public rarely come into direct contact with the operators of these services and do not monitor the efficiency of these operations.
- Provision of these services on a Tri-Municipal basis is unquestionably the least expensive alternative for all three municipalities.
- All these services are operated by Kenora on behalf of the municipalities using the facilities.

(v) Tri-Municipal Utilities Commission

The new regional water and sewage treatment facilities are being operated by the Town of Kenora. The Tri-Municipal Sewer & Water Authority oversees the budget preparation process and audits final cost distributions. It will not be an operating board and will not manage day-to-day operations. It is composed solely of elected representatives who will meet from time to time to review cost sharing considerations. Should additional services be operated on an area-wide basis, consideration should be given to expansion of the Authority into a Utilities Commission, with its own administration and operating capability. In the absence of amalgamation, this may be the only manner in which a tri-municipal service could operate successfully. A Tri-Municipal Utilities Commission would be responsible to the area as a whole through elected commissioners. Priorities, levels of service and cost apportionments would be established on an area-wide basis. In the absence of amalgamation of the three municipalities, this approach may be the only feasible manner to deliver those services which came into close contact with the public. It would not be practical or desirable for example, for Town of Kenora crews to provide service in the other municipalities. Kenora crews would not be answerable to authority in the other two municipalities and their presence could quickly become a vehicle for inter-municipal friction.

RECOMMENDATION NO. 7

IN THE ABSENCE OF AMALGAMATION, THAT
A TRI-MUNICIPAL SERVICE COMMISSION
WITH ELECTED REPRESENTATIVES AND A
SEPARATE ADMINISTRATION BE ESTABLISHED
TO DELIVER SERVICES ON AN AREA-WIDE
BASIS.

This independent commission directed by its own elected board would create a further division of local government. Its operation would be similar to the Hydro Commission, totally independent of the municipal councils, and operating almost as the upper tier of a two-tier government.

c) AMALGAMATION

Discussions on the merits of amalgamation have been the source of considerable debate at times and I have identified very strong convictions, particularly in Kenora and Jaffray-Melick that amalgamation can only lead to substantial increases in municipal taxes, without necessarily any improvement in services.

It is true that most amalgamations have resulted in a considerable increase in public spending in the short term. This has been due to a number of factors:

- Special provincial assistance and extraordinary grants are usually provided to the newly amalgamated municipality to facilitate consolidations of service departments and systems.
- Detailed studies usually indicate long standing service deficiencies and every advantage is taken of the extraordinary grants which are usually available to eliminate many of these deficiencies.
- There is a tendency for each former municipality to identify those of its services which are deficient in comparison with the other partners in the amalgamation. Catching up too quickly can be expensive and the first area-wide council will face a great challenge in establishing priorities and in keeping spending under control.

RECOMMENDATION NO. 8

IN THE EVENT OF AMALGAMATION, CONTROLS ON SPENDING SHOULD BE ESTABLISHED. THIS CAN BE ACCOMPLISHED BY THE IDENTIFICATION AND PRIORITIZATION OF NEEDS ON AN AREA-WIDE BASIS AND IN SETTING FIRM BUDGETARY GUIDELINES. A GREATER USE OF THE LOCAL IMPROVEMENT PROCESS WITH APPROPRIATE CHARGES TO BENEFITING PROPERTIES IS RECOMMENDED TO KEEP PUBLIC DEMANDS FOR IMPROVEMENTS IN PERSPECTIVE.

In considering the situation in which an amalgamation of the three municipalities occurs, I can see no case for expansion of the limits of the present municipalities, except for the inclusion of McKenzie Portage Road, as discussed in Section 5(b) of this Report. The developed areas in the remaining unorganized Townships are quite remote from the present boundaries and there is little chance that effective service could be provided to them. Adoption of the new Tri-Municipal Plan would provide some form of land use control although recent opposition from unorganized area residents may deny this needed service to that area.

I can see no merit in considering an amalgamation of only two of the three municipalities except as an interim measure to be followed by annexation of the third.

RECOMMENDATION NO. 9

WITH THE EXCEPTION OF EXTENSION OF THE PRESENT MUNICIPAL BOUNDARY OF KEEWATIN TO INCLUDE THE MCKENZIE LOCAL ROADS AREA, THERE SHOULD BE NO FURTHER EXTENSION OF MUNICIPAL BOUNDARIES INTO THE UNORGANIZED TOWNSHIPS.

d) REGIONAL GOVERNMENT

With a total population of less than 20,000, the area is at the threshold level of a population which can comfortably support the full range of local government services which it requires. Two-tier government would simply add administrative costs and disassociate the upper tier government from meaningful public contact.

No consideration of two-tier or regional government other than amalgamation into one single municipality will be considered in this report.

RECOMMENDATION NO. 10

NO CONSIDERATION SHOULD BE GIVEN TO A
TWO-TIERED FORM OF REGIONAL GOVERNMENT
FOR THE TRI-MUNICIPAL AREA.

e) CONCLUSIONS

In this report, I will evaluate each service as it is presently delivered in the Tri-Municipal area. Opportunities for additional sharing of services will be identified and generally discussed as to the merit of

their consolidation. Particular attention will be given to service delivery on a Tri-Municipal basis. In some cases, the sale of surplus service delivery capacity by one municipality to another may be an option also worthy of consideration. In addition, I will attempt to simulate the financial situation for a single amalgamated municipality to determine the impact on local taxation which would be created. Suggestions for the structure of the new municipality will also be discussed to enable those reviewing this proposal to better perceive the implications of this option.

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6. AN EVALUATION OF EXISTING
LOCAL SERVICE DELIVERY

6. AN EVALUATION OF EXISTING

LOCAL SERVICE DELIVERY

a) MUNICIPAL COUNCIL PROCEDURES

Public interest and involvement in municipal affairs is quite healthy for all three municipalities. Public awareness and information on many municipal issues is lacking at times, particularly for issues which do not survive the scrutiny of a council committee and which, therefore, are not disclosed at a council meeting.

All committee meetings of all three councils are held in camera, minutes are not kept and no information is available to the public. All committees appear to function as committees of the whole for Kenora and Jaffray-Melick. In Keewatin, the committees function as independent committees of council and consist of only three council members who participate as members of any committee. Council meetings are relatively short and little discussion or debate occurs except on very controversial matters.

The confidentiality of the committee meetings permits council members to actively participate in the day-to-day management of municipal operations without every thought expressed being measured by the public. All committee decisions which result in changes to the status quo must come before council, in a public meeting, for ratification. No significant action or public funding can be committed without council concurrence.

Small municipalities which do not have access to large administrative resources for advice usually find that their elected and appointed officials spend much of their committee meetings in workshop sessions in their efforts to properly manage the municipality's affairs. Due to limited administrative resources, comprehensive staff reports are less likely to be available than would be the case for larger municipalities. In this context, in camera meetings permit elected officials to shed their political roles and to work effectively with their administrators towards consensus on any particular issue. The weakness of this situation lies in the fact that many items under consideration by council never come to the attention of the public. This denies the public a chance to react to the issue being considered. Such reaction often results in new information surfacing which can sometimes completely reverse the direction of the final decision. In camera meetings therefore, can deny invaluable input to important municipal decisions.

The position taken by the Association of Municipalities of Ontario is that all information should be accessible to the public unless access is specifically prohibited by law. The Association has specifically recommended that all meetings of committees of council, boards and commissions be open to the public. Present legislation, however, allows council's full discretion as to the extent to which the public is permitted to attend and participate in committee meetings. Certain items obviously should always be discussed in camera, ie., labour disputes, personnel matters, matters subject to litigation, and certain other negotiations. It is important, however, that the public is aware of all issues being considered by council and the positions being taken by their elected representatives through scrutiny

of the committee's background reports and the subsequent debate. Through this knowledge, the public is given an opportunity to react and to offer constructive input to the decision-making process.

RECOMMENDATION NO. 11

EXCEPT WHERE CONFIDENTIALITY IS ESSENTIAL,
ALL COMMITTEE MEETINGS SHOULD BE OPEN TO
THE PUBLIC.

In situations where elected officials must assist administration in day-to-day operations, planning of work programs or preparation of budgets, agenda meetings can be held in camera. These meetings, however, should be devoted to the preparation of background material indicating the nature of a proposal, the alternatives to be considered, and a recommendation for action.

For significant items of council business, these background papers should be pre-circulated with the agenda and be available to the public and the media at least the day before the committee meeting.

RECOMMENDATION NO. 12

BACKGROUND INFORMATION SHOULD BE PREPARED BY AN AGENDA COMMITTEE AND ADMINISTRATION AND BE ACCESSIBLE TO THE PUBLIC PRIOR TO COMMITTEE MEETINGS. THE INFORMATION PACKAGE SHOULD INDICATE ALTERNATE SOLUTIONS AND A RECOMMENDED COURSE OF ACTION.

b) SPECIAL PURPOSE BODIES

The operations of the various special purpose bodies will be discussed later in this report. As a general statement however, I would observe that there is little effective communication and interaction between the municipal councils and the many special purpose bodies. Most meetings of these agencies are closed to the public and their decision making process is rarely exposed to the public eye.

RECOMMENDATION NO. 13

MEETINGS OF SPECIAL PURPOSE BODIES SHOULD BE OPEN TO THE PUBLIC EXCEPT WHERE CONFIDENTIALITY IS ESSENTIAL. BETTER COMMUNICATION BY SPECIAL BODIES TO COUNCILS AND TO THE PUBLIC SHOULD BE PROVIDED ON A REGULAR BASIS.

There is a lack of background information and analysis relating to budgets and projects planned by special purpose bodies. This makes it very difficult for municipal councils and the public to rank the priority of a particular board's project against overall community needs. On the other hand, the establishment of special purpose bodies provides access to volunteers with special interests and skills to operate various facilities. This can result in a reduction in demands for the time of a municipality's administrative staff.

RECOMMENDATION NO. 14

THE ROLE PLAYED BY SPECIAL PURPOSE BODIES SHOULD BE RE-EXAMINED ON AN INDIVIDUAL BASIS. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE BEST ROLE FOR EACH BOARD TO PLAY IE., AS AN OPERATING BOARD OR AS AN ADVISORY BOARD TO MUNICIPAL ADMINISTRATORS.

Appointments to Boards or Special Purpose Bodies are often made in near seclusion and with little effort made to inform the public that new applications would be considered. Some residents, particularly newer arrivals, may not even be aware of the existence of many boards.

RECOMMENDATION NO. 15

OPENINGS FOR RE-APPOINTMENTS TO PUBLIC BOARDS SHOULD BE PUBLICLY ADVERTISED WITH AN ADEQUATE DESCRIPTION OF THE NATURE OF EACH BOARDS ACTIVITIES.

c) MUNICIPAL ADMINISTRATIVE PRACTICES

There is a substantial difference in the size and complexity of the administrative structures of the three municipalities. Common problems exist, however, in the difficulties faced in providing access to staff training programs, interpreting and responding to conditional grant programs, and in developing and maintaining up-to-date financial, accounting, and management procedures.

The three municipalities are quite remote from many resources which are easily accessible to more populous areas. Being small in size, there is a greater reluctance to dedicate budgets for the substantial travel costs necessary to participate in training sessions, some of which are only available in southern Ontario.

RECOMMENDATION NO. 16

CONSIDERATION SHOULD BE GIVEN TO PROVIDING SPECIAL TRAINING COURSES LOCALLY ON A TRI-MUNICIPAL BASIS. VIDEO TAPING OF SPECIAL TRAINING PROGRAMS OR BRINGING IN SPECIAL INSTRUCTORS IS RECOMMENDED, PARTICULARLY IN THE CASE OF MANAGEMENT TRAINING COURSES.

The accounting, budget control and fiscal management needs and procedures vary considerably between the three municipalities. Some services in this area are contracted out to private firms; however, most are carried out in house with manual operations being common for the smaller municipalities. Opportunities exist for centralization of a number of services such as utilities and tax invoicing, bookkeeping and accounting and mailing facilities. By staggering operation periods, maximum efficiency could be made of expensive business and computer equipment and staff.

RECOMMENDATION NO. 17

A DETAILED ANALYSIS SHOULD BE MADE TO DETERMINE THE MOST COST EFFICIENT MANNER TO PROVIDE MODERN COMPUTING, INVOICING, ACCOUNTING AND MANAGEMENT INFORMATION SERVICES ON AN AREA-WIDE BASIS.

At the present time, each municipality attempts to be reasonably self-sufficient, calling on its neighbours for assistance only in an emergency. There are opportunities for co-operation in bulk purchasing of materials and in the sharing of specialized prices of equipment.

RECOMMENDATION NO. 18

STANDARDIZATION OF MATERIALS SPECIFICATIONS ON AN AREA-WIDE BASIS SHOULD BE IMPLEMENTED AND BULK PURCHASES OF MATERIALS AND SERVICES CONSIDERED IN AN ONGOING PROCESS. OPPORTUNITIES FOR THE SHARING OF SPECIALIZATION EQUIPMENT SHOULD BE IDENTIFIED AND OPERATING PROCEDURE ADJUSTED AS NECESSARY TO TAKE ADVANTAGE OF THESE SITUATIONS.

At the present time, Kenora is actively considering the construction of new municipal offices and police headquarters. Conceptual designs have already been prepared and there is a possibility that a decision to proceed with the work will be made in 1980. Representatives of both Jaffray-Melick and Keewatin have both expressed similar desires, although the issue is not as high a priority as in Kenora. It is imperative therefore, that decisions that may affect space requirements related to shared services be made as quickly as possible.

RECOMMENDATION NO. 19

DECISIONS REGARDING CENTRALIZED ACCOUNTING, BOOKKEEPING, TAX AND UTILITY INVOICING OR OTHER ADMINISTRATIVE FUNCTIONS SHOULD BE GIVEN A HIGH PRIORITY IF THEY HAVE ANY IMPACT ON THE SPACE REQUIREMENTS IN THE PROPOSED KENORA TOWN HALL COMPLEX.

d) FIRE PROTECTION

Kenora is the only municipality to maintain a fire department with permanent staff. It does so in an economical manner by supplementing its 15-man complement with an additional 10 part-time or volunteer fire fighters. Deficiencies in Kenora's road access across the CPR trackage reduces the effective protection to the northeast area of the Town. Generally, however

Kenora's Fire Department is well equipped and provides an excellent level of service. Keewatin and Jaffray-Melick rely upon volunteer fire departments which operate with extremely low budgets. The level of service cannot be compared with a full-time department. Fire prevention activities such as inspections and public education programs are quite limited in the two smaller municipalities. Major deficiencies exist in the lack of a fire hall in Keewatin and inadequate equipment to service the Highway 17 east area of Jaffray-Melick. The Ontario Fire Marshall's office has recommended an additional fire hall to service the northeast area of Kenora.

The three municipalities share a mutual aid agreement; however, this co-operation is only during extreme emergency situations. Volunteer fire departments provide valuable service at affordable costs to small communities. Their lack of reserve capability, communications, and other equipment however, results in a lower standard of protection than is warranted for urban densities.

Although full-time fire protection is desirable for Keewatin and the urbanized portion of Jaffray-Melick, this is likely beyond the financial capability of these communities. It is obvious that fire protection could be provided more effectively and economically on an area-wide basis, particularly if the present Kenora practice of mixing permanent and volunteer staff is continued, probably without significant increases to Kenora's existing annual budget. In the absence of amalgamation, however, there appears to be little opportunity for increased co-operation in this area of service, except perhaps in the area of fire prevention education and training of personnel.

RECOMMENDATION NO. 20

FIRE DEPARTMENTS SHOULD OPERATE
PERSONNEL TRAINING AND PUBLIC
EDUCATION PROGRAMS ON A TRI-MUNICIPAL
BASIS.

e) POLICE PROTECTION

On a regional basis, Kenora carries the burden of law enforcement for a much larger population than contributes directly towards the cost of this service. As the sole area of major shopping and entertainment facilities, it also attracts a majority of the area's criminal activity and misconduct. At the same time, it is denied provincial grants or access to property tax beyond its borders. This problem is of extraordinary proportion in a situation where there is no County System, when the central municipality is relatively small, and where social problems related to alcohol abuse are internationally notorious.

(i) Police Operations

The Kenora Police Department presently administers dog and bicycle licences, animal control and parking by-law enforcement in addition to its normal police functions. The department's present headquarters are badly over-crowded with inadequate parking and entirely unsuited to these activities which, at times, expose the general public to unnecessary risk and discomfort.

Furthermore, many authorities including the Task Force on Policing in Ontario and Kenora's own Police Commission have recommended these activities be removed from police jurisdiction. I can only concur with these authorities.

RECOMMENDATION NO. 21

ISSUANCE OF LICENCES, COLLECTION OF FINES, ANIMAL CONTROL AND POUND OPERATIONS AND BY-LAW ENFORCEMENT ACTIVITIES SHOULD BE SEPARATED FROM POLICE DEPARTMENT OPERATIONS. A HIGH PRIORITY SHOULD BE GIVEN TO THE CONSTRUCTION OF A NEW POLICE HEADQUARTERS.

Due to the limited road network in the area, Kenora Police patrols travel through Keewatin in order to efficiently cover the Norman Area. Similarly, patrols around Rabbit Lake would form a logical route to cover the Trojan Area and Northeast Area. Kenora police protection could be extended to cover both Keewatin and Jaffray-Melick at very little increase in annual cost. I share the opinion of Chief Engstrom that the increase in provincial grant alone (almost \$55,000) would easily cover the additional cost to service Keewatin and Jaffray-Melick. I was unable to obtain any information on the cost incurred by the Ontario Provincial Police to service Keewatin and Jaffray-Melick; however, the Province would experience some saving were this responsibility to be taken over by Kenora.

(ii) The Cost of Police Services

Residents of Kenora unfairly bear the cost of police service for non-residents of Kenora. At the same time, the Province provides free police service even to the organized municipalities which abut Kenora. Kenora's declining population, escalating police costs, and a per-capita provincial grant which has been fixed for some years, do little to alleviate the situation.

RECOMMENDATION NO. 22

PROVINCIAL ASSISTANCE TOWARDS KENORA'S
POLICE DEPARTMENT SHOULD BE INCREASED
RECOGNIZING THE UNIQUE PROBLEMS OF LAW
ENFORCEMENT FACED BY A SMALL COMMUNITY
WITH LIMITED RESOURCES.

(iii) Law Enforcement Problems

Alcohol abuse and related misbehaviour generate a massive activity by the police department. Solving the social problem is beyond the ability or the authority of Kenora or its police department. Experiments such as beat patrol (funded by the Province) have made the problem less visible. The detoxification centre is judged by many to have been an expensive failure and the police department has returned to its former practice of arresting offenders under the Liquor Control Act. This should not discourage future

experimentation however. The magnitude of this health and social problem is immense and solutions must be found. A special committee of the Ontario Addiction Research Foundation submitted a report in 1979 which discussed preventative options for the Kenora area. Their recommendations stressed limiting access to liquor outlets (reducing hours of sale, number of outlets, relocating liquor stores) public education, improved alternate entertainment, activity options, and increased detention. The report stressed that to be effective action should be selected and initiated by a local committee.

RECOMMENDATION NO. 23

A MAYOR'S COMMITTEE ON ALCOHOL ABUSE SHOULD BE ESTABLISHED BY THE TOWN OF KENORA. SPECIAL FUNDING SHOULD BE PROVIDED BY THE PROVINCE TO PROVIDE FOR A FULL-TIME ADMINISTRATOR AND FOR IMPLEMENTATION OF PROGRAMS DEVELOPED BY THE COMMITTEE. EFFECTIVE REPRESENTATION FROM LOCAL INDIAN BAND COUNCILS IS VITAL TO THE SUCCESS OF THIS COMMITTEE.

During my discussions with the Ontario Provincial Police, I found that no statistical information was kept related to individual municipalities. Consequently, I could not determine the level of police activity, costs, incidence of crime, key result areas, etc. for Keewatin and Jaffray-Melick. While this

may simply be an indication of the relative lack of police involvement in these municipalities, it also indicates a lack of awareness of the local situation and of trends. Such statistics are vital if police agencies are to determine the balance of enforcement necessary with respect to crime control, protection of life and property, and maintenance of peace and order.

RECOMMENDATION NO. 24

WHERE THE ONTARIO PROVINCIAL POLICE PROVIDE POLICE PROTECTION, STATISTICAL DATA ON COSTS, ACTIVITY, INCIDENCE OF CRIME, PROSECUTIONS, CONVICTIONS, ETC. SHOULD BE MAINTAINED AND REPORTED ANNUALLY TO EACH MUNICIPAL COUNCIL.

The large native Indian population in the Kenora area creates additional problems in the administration of police service. Both status and non-status populations suffer from lower incomes, higher unemployment and more extensive social problems than is the case for non-native residents. This inevitably leads to a disproportionate incidence of problems related to alcohol abuse and police contact. The recent implementation of an Ontario Provincial Police detachment on the reserves is said to be reducing the incidence of violence on the reserves; however, the lack of Indian police

constables both in the O.P.P. and the Kenora Police Department may create additional difficulties in understanding, due to differences in language and life style.

RECOMMENDATION NO. 25

SPECIAL EFFORTS TO RECRUIT AND TRAIN ADDITIONAL INDIAN POLICE OFFICERS BOTH FOR THE KENORA AND PROVINCIAL POLICE SHOULD BE CONTINUED. BOTH DEPARTMENTS SHOULD MAINTAIN SENIOR PERSONNEL FLUENT IN THE OJIBWAY LANGUAGE AND ABLE TO COMMUNICATE EFFECTIVELY WITH THE INDIAN BANDS IN THE AREA.

Prevention of crime and civil disorder can be effectively assisted by public education programs. The introduction of a police presence on the Indian Reserves could be an effective delivery vehicle for public education; however, special efforts are also needed by the Boards of Education in the region to recognize the extraordinary health and social problems which exist in the District.

RECOMMENDATION NO. 26

SPECIAL AWARENESS AND EDUCATIONAL PROGRAMS RELATED TO ALCOHOL ABUSE AND THE AREA'S SOCIAL PROBLEMS SHOULD BE IMPLEMENTED IN THE SCHOOLS, ON THE RESERVES, AND FOR THE PUBLIC AT LARGE.

Rehabilitation services can be effective in helping prevent recurrence of criminal activity, social misbehaviour and alcohol abuse. Self-help organizations such as Alcoholic's Anonymous offer needed support to individuals trying to reform. By the sheer volume of police activity, however, these volunteer groups must be overwhelmed. Other rehabilitation services such as half-way houses operated by the John Howard or Elizabeth Fry Societies do not exist in Kenora. Considering the magnitude of the problem, it may be advisable to provide special assistance to this type of organization.

RECOMMENDATION NO. 27

SPECIAL FUNDING SHOULD BE PROVIDED TO REHABILITATION ORGANIZATIONS, FROM ALL THREE LEVELS OF GOVERNMENT WITH PARTICULAR ATTENTION GIVEN TO THE PROBLEM OF ALCOHOL ABUSE.

There is little public awareness of police operations. All meetings of the Kenora Police Commission are held in camera. There is no exposure of O.P.P. operations other than periodic meetings with Keewatin and Jaffray-Melick councils and newspaper reportings of charges laid. So much of police affairs is of a confidential nature that public monitoring is very difficult to accommodate; nevertheless, there is a case for more opportunities for inter-action.

RECOMMENDATION NO. 28

THE KENORA POLICE COMMISSION AND ONTARIO PROVINCIAL POLICE SHOULD HOLD PERIODIC PUBLIC MEETINGS TO REVIEW POLICE POLICIES AND PROGRAMS AND TO PERMIT PUBLIC INTER-ACTION. SUCH MEETINGS WOULD BE AN EXCELLENT VEHICLE FOR THE PRESENTATION OF AN ANNUAL REPORT OUTLINING KEY RESULT AREAS WITH A SEPARATE MEETING TO PRESENT THE ANNUAL BUDGET AND PROGRAM FOR THE COMING YEAR.

f) BY-LAW ENFORCEMENT

By-law enforcement is operated at varying levels by the three municipalities. All have only part-time requirements for by-law enforcement, yet services such as animal control demand certain knowledge and skills and the availability of a pound facility. Rural

areas have particular needs related to livestock and poultry protection and weed control. Kenora municipal by-laws are administered by the Kenora Police Department. Since the preparation of my Interim Report, Jaffray-Melick have hired an individual on a part-time basis to enforce municipal by-laws. Keewatin similarly hire an individual part-time to provide this service.

The cost of by-law enforcement can be substantially offset by licence fees, and fines. There are excellent opportunities for shared services. Ideally, by-laws would be reasonably uniform between all three municipalities but permitting differential regulations between rural, urban, and downtown areas.

As the level of service, apportionment of costs and the preparation of budgets will have to be considered annually, it would appear that by-law enforcement would be best administered by a tri-municipal board or commission, if one is establishes.

The regulation of parking is entirely different between the three municipalities. This aspect of by-law enforcement is probably best left in the hands of the individual municipalities.

RECOMMENDATION NO. 29

PARKING REGULATIONS, FACILITIES AND BY-LAWS SHOULD CONTINUE TO BE ADMINISTERED BY EACH MUNICIPALITY SEPARATELY. OTHER BY-LAWS COULD BE EFFECTIVELY ADMINISTERED BY A TRI-MUNICIPAL COMMISSION, IF ONE IS ESTABLISHED.

Disregard of fines, notices and orders ultimately leads to prosecution, requiring the issuance of a summons. Summons service can be time consuming and not worthy of the attention of a professional police officer. In the case of Keewatin and Jaffray-Melick, the Ontario Provincial Police cannot administer municipal by-laws.

RECOMMENDATION NO. 30

BY-LAW ENFORCEMENT OFFICERS SHOULD BE SWORN IN AS SPECIAL CONSTABLES TO PERMIT THEM TO ISSUE SUMMONSES RELATED TO MUNICIPAL BY-LAWS.

In the case of animal control and pound operations, consideration could be given to contracting with the Ontario Humane Society for this service. Special provincial assistance might be necessary to permit the society to fulfill its obligations to enforce the provincial legislation it is charged to administer.

RECOMMENDATION NO. 31

CONSIDERATION SHOULD BE GIVEN TO CONTRACTING WITH THE ONTARIO HUMANE SOCIETY TO PROVIDE ANIMAL CONTROL, PET LICENCING AND POUND OPERATION SERVICES.

g) TRANSPORTATION SERVICES

(i) Roads

The successful operation of a roads network requires access to a broad range of equipment and skills, and a reliable source of mineral aggregates. Road maintenance is the area of local government service most visible to the public. Adequate roads and transportation services are vital to the provision of most other local government services and to the economic well-being of the area.

Road maintenance and construction operations generally represent the majority of the activities of a municipality's public works department.

Routine road maintenance requires the use of specialty equipment such as graders, sanders, sweepers, flushers and asphalt patching equipment. To date, only Kenora has maintained equipment other than graders and sanders, as the other two municipalities have very limited inventories of paved roads to maintain. The situation is changing rapidly. Keewatin is now able to pave the majority of its streets, as connections to the sewer and water system are completed. New subdivisions in Jaffray-Melick will increase the inventory of Township pavement serving urban development. This will automatically result in new demands for more intensive maintenance, some of which will require access to specialized equipment not now in the Township's possession.

RECOMMENDATION NO. 32

ROUTINE ROAD MAINTENANCE COULD BE DELIVERED ON AN AREA-WIDE BASIS. KENORA'S PRESENT SWEEPING, FLUSHING, AND OTHER MAINTENANCE EQUIPMENT WOULD BE ADEQUATE FOR AREA-WIDE SERVICE. IN A CO-ORDINATED PROGRAM, THE ANNUAL MAINTENANCE OF GRAVELLED ROADS AND SNOW REMOVAL OPERATIONS COULD BE CARRIED OUT MORE EFFICIENTLY. IN THE ABSENCE OF AMALGAMATION, THIS SERVICE COULD BE PROVIDED BY A TRI-MUNICIPAL PUBLIC UTILITIES COMMISSION.

Road construction and maintenance requires engineering design and inspection services and considerable administration particularly when private contractors are used. This area of local government service comes under very close scrutiny by the Province due to its substantial support grant structure. To date, Kenora has provided these services with its own professional staff except for larger projects. Keewatin and Jaffray-Melick have relied upon the Ministry of Transportation and Communications for these services. Recent trends to reduce the size of the Provincial civil service have resulted in these sources becoming less available to the smaller municipalities. This trend can be expected to continue which would lead to increased administrative costs in the future for the two smaller municipalities.

RECOMMENDATION NO. 33

ENGINEERING SERVICES COULD BE DELIVERED ON AN AREA-WIDE BASIS. THIS WOULD ALSO PERMIT CO-ORDINATION OF TENDER CALLS FOR NEW CONSTRUCTION, RE-SURFACING PROJECTS, AND THE SUPPLY OF VARIOUS MATERIALS THROUGH A CENTRAL PURCHASING STRUCTURE. IN THE ABSENCE OF AMALGAMATION, THIS SERVICE SHOULD BE PROVIDED BY A TRI-MUNICIPAL COMMISSION.

The co-ordination of tender calls for road construction and materials is particularly beneficial. The annual requirements, even on a collective basis are at times too small to permit the area's only paving contractor to move his portable plant into the area. There have been situations where no paving could be carried out over two full years due to competing priorities elsewhere in the District. Similarly the supply of culvert and storm sewer materials, calcium chloride, etc. if purchased in bulk would result in lower costs to all three municipalities.

Construction equipment requires constant mechanical maintenance. Close monitoring of this maintenance is necessary in order to determine the optimum time for replacement of each piece of equipment. Presently Kenora has considerable maintenance capability; however, the other two municipalities must rely on the private sector which is not always equipped to handle maintenance of heavy construction equipment.

RECOMMENDATION NO. 34

IN THE ABSENCE OF AMALGAMATION
THE MAINTENANCE OF EQUIPMENT AND VEHICLES
SHOULD BE PROVIDED BY A TRI-MUNICIPAL
COMMISSION CHARGING FOR ITS SERVICES ON
A USER-PAY BASIS.

Sources of mineral aggregates are being depleted and new sources are not as readily identified in the area. Private contractors and the Ministry of Transportation and Communications control virtually all of the active sources in the area today. There is merit in considering the development of a tri-municipal source of supply, particularly for winter sand and routine maintenance requirements. The needs of the three municipalities could be satisfied by common stockpiles of various materials with costs charged out on a user-pay basis.

RECOMMENDATION NO. 35

A TRI-MUNICIPAL SOURCE FOR THE SUPPLY OF MINERAL AGGREGATES SHOULD BE DEVELOPED. THIS FACILITY COULD BE EFFECTIVELY OPERATED BY ONE MUNICIPALITY AND CONTRACTED OUT TO OTHERS.

New roads are created through the development of private subdivisions. The standard of construction is determined by subdivision agreements negotiated between the subdivider and the municipality. There is a legacy of sub-standard roads in all three municipalities, some of

which are due to inadequate subdivision agreements. In some cases, future maintenance subsidies may be denied to the municipalities until deficiencies are corrected.

RECOMMENDATION NO. 36

SUBDIVISION AGREEMENTS SHOULD DEMAND THE MINIMUM ROAD STANDARDS TO SATISFY MTC REQUIREMENTS FOR FUTURE SUBSIDIES. STANDARDIZATION BETWEEN THE THREE MUNICIPALITIES IS DESIRABLE, WHILE STILL RECOGNIZING VARIATIONS BETWEEN RURAL, URBAN AND DOWNTOWN AREAS.

The co-ordination of road operations on a tri-municipal basis will take some time to achieve. In the meantime, an effort should be made to avoid unnecessary duplications and achieve economies through co-operative purchasing.

RECOMMENDATION NO. 37

IN THE ABSENCE OF ANY TRI-MUNICIPAL COMMISSION OR AMALGAMATION OF THE THREE MUNICIPALITIES, THERE ARE A NUMBER OF SERVICES WHICH COULD BE PROVIDED BY KENORA TO THE OTHER MUNICIPALITIES TO THEIR MUTUAL ADVANTAGE:

- STREET SWEEPING AND FLUSHING
- GRADER RENTAL DURING SPRING MAINTENANCE
- CONSOLIDATED TENDER CALLS FOR PAVING AND VARIOUS MATERIALS

Residents of unorganized areas assemble in Local Roads Boards and Statute Labour Boards to administer their needs for road maintenance. These organizations qualify for subsidies from the Province and appear to meet the needs of the rural areas. With the exception of the newly formed McKenzie Portage Road local roads area, most are quite distant from the three organized municipalities.

RECOMMENDATION NO. 38

LOCAL ROADS BOARDS SHOULD REMAIN AS THE STRUCTURE FOR ADMINISTRATION OF ROADS NEEDS IN THE RURAL AREAS EXCEPT WHERE CONTINUED DEVELOPMENT GENERATES THE NEEDS FOR A BROADER RANGE OF URBAN SERVICES, OR WHERE THIS DEVELOPMENT REPRESENTS A LOGICAL EXTENSION OF AN EXISTING ORGANIZED MUNICIPALITY.

(ii) Public Transit

As an operation by private enterprise, the Excel Coach Lines is not affected by the municipal organization of the area except that it must obtain its franchise and negotiate with three municipalities.

The municipalities subsidize the fares to senior citizens and Kenora purchases new buses in order to be eligible for a 75% subsidy from the Province. Buses are subsequently re-sold to the private operator by the municipality at the net cost, after one year. In 1980, the company's franchise is to be renegotiated.

RECOMMENDATION NO. 39

SHOULD OPERATING SUBSIDIES BECOME
NECESSARY FOR THE EXCEL COACH LINES
THIS MATTER SHOULD BE ADMINISTERED BY
A TRI-MUNICIPAL COMMISSION IN THE
ABSENCE OF AMALGAMATION.

(iii) Parking

The lack of parking in the Kenora downtown affects the residents of all three municipalities; however, it is a problem which must be dealt with entirely by Kenora. It has been suggested that deficiencies in parking limit future expansion prospects in the downtown area. The lack of parking also affects access to Lake of the Woods and Coney Island, a major recreation area operated by Kenora.

RECOMMENDATION NO. 40

AN OVERALL PARKING ASSESSMENT SHOULD BE CARRIED OUT AND A PROGRAM ESTABLISHED TO SATISFY THE NEEDS OF THE KENORA DOWNTOWN AREA. INCLUDED IN THIS ASSESSMENT SHOULD BE DOCKAGE FACILITIES FOR SUMMER RESIDENTS SHOPPING IN THE DOWNTOWN, AND FOR PARKING FOR CARS AND BOAT TRAILERS FOR INDIVIDUALS VISITING CONEY ISLAND OR BOATING ON LAKE OF THE WOODS.

h) UTILITIES

(i) Sewer and Water Systems

Since the preparation of the Interim Report, changes have occurred with respect to the sewer and water systems serving the three municipalities. It has been finally decided that the regional facilities, including treatment plants, elevated storage tanks and pumping stations serving more than one municipality will be operated by Kenora. Operating costs and budgets will be scrutinized by a Tri-Municipal Sewer and Water

Authority. The authority is a committee consisting of three elected representatives from Kenora and two each from Keewatin and Jaffray-Melick who will meet as required to review annual budgets and cost apportionments. Costs are shared based on relative volumes of water consumed and sewage generated as measured by bulk meters. Operations and maintenance of pipe networks and pumping stations remain the responsibility of the individual municipality. Kenora is well equipped to carry out this service with its own forces. Keewatin, for the moment, has elected to employ the Ontario Ministry of the Environment to perform this service. Jaffray-Melick has yet to decide on its future course of action. The Township presently operates a limited watermain system without storage or pumping equipment. It has occasionally called on Kenora's water department to assist in main tapplings or special repairs. As the sewer and water systems are installed, however, additional operating capability will become necessary.

RECOMMENDATION NO. 41

AT THE PRESENT TIME, OPERATION OF THE SEWAGE PUMPING STATIONS IN ALL THREE MUNICIPALITIES IS BEST CARRIED OUT BY KENORA'S SPECIAL SERVICE CREW. THIS WOULD ELIMINATE THE NEED FOR DUPLICATION AND ENSURE ECONOMIC AND RELIABLE MAINTENANCE OF THESE EXPENSIVE COMPONENTS. PIPELINE MAINTENANCE CAN BE CARRIED OUT BY PUBLIC WORKS CREWS FOLLOWING ADDITIONAL TRAINING. SPECIAL SERVICES SUCH AS CLEANING, FLUSHING AND TAPPING AND UTILITIES INVOICING CAN BE CONTRACTED FROM KENORA.

RECOMMENDATION NO. 42

IN THE ABSENCE OF AMALGAMATION, THE SEWER AND WATER SYSTEM SHOULD BE OPERATED BY AN AREA-WIDE PUBLIC UTILITIES COMMISSION. OPERATING COSTS SHOULD BE WHOLLY RECOVERED FROM USER CHARGES.

The agreement providing for the Tri-Municipal Sewer and Water Authority is an excellent model for situations where the service can be provided by one municipality and the cost apportionments are relatively simple. In these cases, a non-operating authority permits scrutiny and communication between municipalities. The authority operates as little more than a steering committee and does not represent a delegation of authority by the individual elected councils. In the case of the water and sewage facilities, capital costs were provided by the Province. Where this is not the case and annual charges are necessary to retire capital debts inter-municipal agreements will require more detailed provisions. The sewer and water agreement provides for arbitration of disputes with the ultimate authority for resolution of a stalemate vested with the Ontario Municipal Board.

RECOMMENDATION NO. 43

THE TERMS OF REFERENCE OF THE TRI-MUNICIPAL SEWER AND WATER AUTHORITY SHOULD BE EXPANDED TO ALSO INCLUDE THE CEMETERY AND TRI-MUNICIPAL LANDFILL. BY HAVING THE SAME COMMITTEE REVIEW ALL TRI-MUNICIPAL SERVICES OPERATED BY A SINGLE MUNICIPALITY, SKILLS WILL BE DEVELOPED IN ARRIVING AT MUTUALLY ACCEPTABLE COMPROMISES IN COST-SHARING AND CO-OPERATION, THE AUTHORITY SHOULD INCLUDE THE CHIEF ADMINISTRATIVE OFFICER OF EACH MUNICIPALITY TO ENSURE CONTINUITY.

(ii) Storm Sewers

Storm sewer construction is quite limited in the area due to the prevalence of rock in Kenora and Keewatin and the rural nature of Jaffray-Melick. Some drainage problems have been created in situations where subdivision development has not provided for adequate drainage. There are other situations where subdivision roads have been constructed to standards which the MTC do not consider to be acceptable. Subdivision agreements have not designated a minimum standard for roads and drainage works.

RECOMMENDATION NO. 44

SUBDIVISION AGREEMENTS SHOULD PROVIDE FOR ROAD DRAINAGE TO BE CONSTRUCTED TO A STANDARD ACCEPTABLE TO THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS FOR FUTURE MAINTENANCE AND CONSTRUCTION SUBSIDIES.

Recently the Ontario Ministry of the Environment introduced a regulation demanding that wherever services are installed in common trench with watermains, the sewer be lower than the watermain. In rocky areas, this provision virtually eliminates the economic feasibility of storm sewers. It is rarely possible or affordable to construct a storm sewer deeper than a watermain. The alternate of constructing separate trenches in rock for storm drainage systems is even more expensive. The net result may be to encourage the continuation of unsightly ditch drainage as the prevailing standard. This may be creating a more serious health hazard than the risk represented by common trench construction with the watermain below the storm sewer.

RECOMMENDATION NO.45

THE MINISTRY OF THE ENVIRONMENT SHOULD RECONSIDER ITS REGULATIONS AFFECTING THE CONSTRUCTION OF STORM SEWERS IN COMMON TRENCH WITH WATERMAINS IN HIGH COST AREAS. NO RESTRICTIONS SHOULD APPLY TO THE LOCATION OF STORM SEWERS.

1) SOLID WASTE

A recent study funded by the Ontario Ministry of the Environment has indicated that operation of a new landfill on a tri-municipal basis is economically advantageous to all three municipalities. Development of the new site is anticipated this spring. As previously noted, the scrutiny of budgets and cost apportionments is at the moment, best placed in the hands of the Tri-Municipal Sewer and Water Authority (a name change may be appropriate). Final agreements have not yet been processed for the cost sharing; however, past costs have been shared on a per capita basis. This does not recognize the greater volumes per capita generated by a municipality with greater commercial/industrial development.

RECOMMENDATION NO. 46

COSTS RELATED TO THE OPERATION OF THE LANDFILL SHOULD BE SHARED ON THE BASIS OF RELATIVE VOLUMES OF SOLID WASTE DELIVERED BY EACH MUNICIPALITY.

Residents of the unorganized areas should also be encouraged to use the new facility where adequate supervision and control is possible. Since direct costs would only encourage random dumping, a direct contribution by the Province on behalf of unorganized area residents would be appropriate.

RECOMMENDATION NO. 47

THE PROVINCE OF ONTARIO SHOULD CONTRIBUTE A SHARE OF THE COST OF OPERATING THE TRIMUNICIPAL LANDFILL IN PROPORTION TO SOLID WASTE VOLUMES DELIVERED BY RESIDENTS OF THE UNORGANIZED AREA. PROVINCIAL DUMPS IN THE IMMEDIATE VICINITY CAN THEN BE CLOSED.

Solid waste collection in Jaffray-Melick is now carried out under contract by a private firm. The firm has purchased the packer truck formerly owned by the Township. Keewatin have a small dump truck which has a unit which provides some compaction to its load but only to a minor extent. The Town finds that garbage collection interrupts other public works activities. At the same time, Kenora's collection facilities have reserve capacity.

RECOMMENDATION NO. 48

IN THE ABSENCE OF AMALGAMATION, KEEWATIN SHOULD CONTRACT WITH KENORA FOR THE COLLECTION OF SOLID WASTE BY KENORA CREWS. THIS WOULD REALIZE SUBSTANTIAL SAVINGS FOR BOTH MUNICIPALITIES.

Collection of solid waste in the rural areas of Jaffray-Melick is costly due to the nature of the Township's road network with its many dead ends. Rural properties generally do not generate the same volume of solid waste as do urban areas (less waste paper, grass clippings, etc.) Combined with a decrease in taxes, rural residents might find a bulk container located near the Rabbit Lake Road equally convenient to the present arrangement.

RECOMMENDATION NO. 49

RURAL RESIDENTS OF JAFFRAY-MELICK SHOULD BE CANVASSED TO DETERMINE THE ACCEPTABILITY OF REDUCED GARBAGE COLLECTION SERVICES, COMBINED WITH A TAX CREDIT. IF ATTRACTIVE, CONSIDERATION COULD THEN BE GIVEN TO CONTRACTING WITH KENORA FOR THE COLLECTION OF SOLID WASTE FROM THE TOWNSHIP'S URBANIZED AREA.

Collection of solid waste on a tri-municipal basis would equalize disparities in collection costs created by the location of the landfill with respect to each municipality.

Suitable landfill sites are difficult to find in the Kenora area. It is therefore important that maximum use be made of each site to extend its useful lifetime.

RECOMMENDATION NO. 50

OPERATING PROCEDURES INCLUDING COMPACTION AND CONTROLLED BURNING SHOULD BE CONSIDERED AT THE NEW LANDFILL TO MAXIMIZE ITS USEFUL LIFETIME.

j) TELEPHONE & HYDRO ELECTRIC SYSTEMS

Kenora and Keewatin each operate their own telephone departments while Bell Canada provides service to Jaffray-Melick. The toll free dialing area includes the three municipalities and an adjacent area in the unorganized townships.

Kenora co-ordinates telephone billings with hydro-electric and sewer and water invoicing. These include long distance charges which are prepared by Bell Canada.

Keewatin mails invoices for long distance telephone charges which are prepared by Bell Canada. The monthly rental charge is not invoiced as such and local residents simply remember to add it to the

total. With the introduction of sewer and water invoices, a co-ordinated invoice, similar to Kenora's will be issued. Operation of the Keewatin telephone system under contract by Kenora, including the issuance of monthly invoicings is entirely feasible and would not necessitate take-over of ownership of the Keewatin system by Kenora. By staggering the billing dates for the two municipalities, better use can be made of Kenora's business machines and cost savings will be gained by both municipalities.

It would not be practical to Kenora to provide a similar service in Jaffray-Melick, unless amalgamation occurred.

RECOMMENDATION NO. 51

IN THE ABSENCE OF AMALGAMATION
KENORA SHOULD OPERATE THE KEEWATIN
TELEPHONE SYSTEM INCLUDING THE ISSU-
ANCE OF MONTHLY INVOICES UNDER A
CONTRACT WITH KEEWATIN. OWNERSHIP,
AUTHORITY FOR RATES AND FISCAL RES-
PONSIBILITY FOR THE KEEWATIN SYSTEM
WOULD REMAIN WITH KEEWATIN.

Future telephone improvements including considerations regarding conversion to electronic equipment could then be made to the best advantage of the tri-municipal area.

The Kenora Hydro Electric Commission presently services Keewatin customers and also operates the Keewatin and Kenora street lighting systems on behalf of the two municipalities. In the past, Kenora Hydro also operated the telephone systems. The arrangement was apparently advantageous as it enabled a single manager to operate the two systems and various other economies related to service equipment, stand-by capability after-hours, etc.

I am indebted to Mr. Boyd Hamilton for his comprehensive comments discussing the Interim Report as it related to Kenora and Ontario Hydro operations. He has pointed out certain inaccuracies in the Interim Report which are significant:

- Ontario Hydro services 6,000 customers in the Kenora area of which about 30% are represented by Jaffray-Melick residents.
- The primary distribution voltage is the same throughout the Township as it is in Kenora.
- Based on revised 1979 rates the average gross bill for 1,000 KW consumption is:

Keewatin-Kenora	- \$32.18
Jaffray-Melick - High Density	- \$38.95
- Low Density	- \$41.15

I noted in the Interim Report that I found the extent of monitoring of municipal electric utilities by Ontario Hydro excessive and unjustified. Adherence to the user pay principle is no more or less important for electrical service than for any other utility. The existence of a separate commission and audit structure appears to add unnecessarily to the cost of local government.

RECOMMENDATION NO. 52

THE PROVINCE OF ONTARIO SHOULD REVIEW THE PUBLIC UTILITIES ACT AND POWER CORPORATIONS ACT WITH A VIEW TO REDUCING THE EXTENT TO WHICH AUDITING OF LOCAL UTILITIES BY ONTARIO HYDRO IS NECESSARY.

Considerable economies can be realized through a return to a combined municipal electrical and telephone department serving both Kenora and Keewatin. It is possible to supercede section 108 of the Power Corporation Act with specific legislation.

RECOMMENDATION NO. 53

THE TOWN OF KENORA SHOULD REQUEST THE ONTARIO GOVERNMENT TO ENACT SPECIFIC LEGISLATION TO PERMIT OPERATION OF ITS ELECTRICAL UTILITY AS A MUNICIPAL DEPARTMENT OF THE TOWN. THE DEPARTMENT WOULD ALSO OPERATE THE TELEPHONE UTILITY AND BY CONTRACT PROVIDE BOTH SERVICES TO KEEWATIN RESIDENTS.

A utility which permits user discretion as to the level of service desired is generally charged to consumers on a user-pay basis. The regulation of electrical and telephone rate structures is closely controlled by Ontario Hydro and the Ontario Telephone Service Commission; sewer and water rates can be appealed to the Ontario Municipal Board, however, this is the exception, rather than the rule.

RECOMMENDATION NO. 54

THE PROVINCE SHOULD RE-ASSESS THE MANNER
IN WHICH MUNICIPAL UTILITIES ARE MONITORED.
A SIMPLER YET EQUALLY EFFECTIVE PROCESS
MIGHT BE TO ISSUE DETAILED GUIDELINES TO
BE FOLLOWED BY MUNICIPAL AUDITORS AND
UTILITY OPERATORS.

Amalgamation would seem to be essential for the Kenora telephone and electrical utilities to be permitted to operate the Jaffray-Melick system. Such an event could reduce the cost for these services to Township residents by approximately \$100.00 per year, based on 1979 rates. A detailed study would be necessary to determine whether the various factors of combined hydro-telephone and urban-rural service would result in a net increase in cost to existing Kenora Hydro and Telephone customers; however, I suspect that this would not be the case.

k) HEALTH SERVICES

(i) District Health Unit and
District Health Council

These agencies operate substantially under the authority of the Province although appointments to the Board of Health and the District Health Council are made by municipal councils.

Council involvement provides an awareness of health services activities as they affect local residents. Municipal councils have formed strong lobby groups against such issues as the cut back in hospital beds.

A portion of the cost of operating the District Health Unit is borne by the municipalities served by each Unit. The contribution by the municipalities is shared on a per capita basis and the budget cost to municipalities is a large enough figure to be worthy of their attention.

Thus, the present system provides a certain balance between the desires and the affordable needs of the area, while at the same time permitting municipal scrutiny of health care problems.

Distributing Health Unit costs on a per capita basis, tends to increase the burden on the residents of municipalities lacking commercial assessment. Residents of unorganized municipalities bear no direct cost for this service.

RECOMMENDATION NO. 55

DISTRIBUTION OF HEALTH UNIT COSTS SHOULD BE SHARED ON THE BASIS OF EQUALIZED ASSESSMENT BETWEEN PARTICIPATING MUNICIPALITIES.

(ii) Lake of the Woods District Hospital

The annual budget for the hospital exceeds the combined total budget of Kenora, Keewatin and Jaffray-Melick. This factor, together with factors related to the original formation of the hospital board may have created the legislation which necessitates the election of members to the hospital board. The election is rarely a competition and the electorate has little awareness of or input to the operations of the hospital. Hospital budgets have no impact on municipal taxation, except when contributions to major capital projects are made.

RECOMMENDATION NO. 56

THE PRACTICE OF ELECTING MEMBERS TO THE HOSPITAL BOARD DURING MUNICIPAL ELECTIONS SHOULD BE DISCONTINUED THROUGH AN AMENDMENT TO THE LEGISLATION GOVERNING THE HOSPITAL. PUBLIC SCRUTINY CAN BE EQUALLY WELL PROVIDED BY AN APPOINTED BOARD.

All hospital operating costs are borne by the Province as are the costs of the detoxification centre and ambulance services. A substantial portion of the cost of the latter two facilities is generated by Status Indians. As budget restraints become more stringent, it is conceivable that the extraordinary costs related to service to Status Indians may jeopardize the quality of health services available to all residents in the area.

RECOMMENDATION NO. 57

A FEDERAL-PROVINCIAL REVIEW SHOULD BE MADE OF THE COST AND OPERATION OF THE DETOXIFICATION CENTRE AND THE AMBULANCE SERVICE. A DETERMINATION SHOULD BE MADE OF THE IMPACT AND COST OF PROVIDING SERVICE TO STATUS INDIANS.

The objectives of this review should include the identification of opportunities for increased Federal-Provincial co-operation to help improve the level of health service accessible to residents of remote Indian reserves as well as other residents living in remote areas. Consideration should also be given to the question of direct Federal support, or extraordinary provincial support for these functions.

Future capital expenditures for the Lake of the Woods Hospital will likely involve direct municipal contributions. In such an event, formal agreements should be prepared which would establish cost sharing formulas, terms of payment, etc. Cost over-runs should be anticipated, both at the time of tendering and later, due to possible construction difficulties. These agreements should provide for binding arbitration of any disputes by an outside agency, perhaps the Ontario Municipal Board.

RECOMMENDATION NO. 58

INTER-MUNICIPAL AGREEMENTS FOR COST SHARING OF CAPITAL WORKS SHOULD ANTICIPATE THE PROBLEMS OF SUBSTANTIAL COST OVER-RUNS. BINDING ARBITRATION SHOULD BE INCORPORATED IN THE AGREEMENTS TO RESOLVE SERIOUS DISPUTES.

(iii) The Detoxification Centre

As a deterrent to alcohol abuse, the Detoxification Centre has not proved to be successful. Police are once again arresting those under the influence of alcohol. The Kenora Police Department is of the opinion that a visit to the Detoxification Centre is less effective than incarceration. It is too soon to judge the effect this will have on the operation of the Detoxification Centre; however, a substantial reduction in usage can be expected.

Recently the Ontario Addiction Research Foundation submitted a report including recommendations directed towards reducing access to alcohol as a means to reducing the magnitude of what must be the area's most significant health problem. No action has yet been visible relating to this report.

RECOMMENDATION NO. 59

THE DISTRICT HEALTH COUNCIL, IN CONJUNCTION WITH THE AREA MUNICIPALITIES SHOULD REVIEW THE ONTARIO ADDICTION RESEARCH FOUNDATION REPORT IN DETAIL TO DETERMINE THE FEASIBILITY OF IMPLEMENTATION OF ITS MAJOR RECOMMENDATIONS. AT THE SAME TIME, THE VALIDITY OF FUTURE OPERATION OF THE DETOXIFICATION CENTRE SHOULD BE DETERMINED.

(iv) Ambulance Services

I am advised that the incidence of false alarms originating from some of the Indian Reserves is quite high. This problem is quite serious as an ambulance call to a remote reserve can generate a

trip in excess of 100 miles and the loss of service of the vehicle for as much as 4 hours. An even more serious problem is that the Reserve resident, and many other remote residents must anticipate this same length of time to reach the hospital. The District Health Council is presently considering the best way to provide improved ambulance service including air ambulances to the area.

(v) Lake of the Woods Cemetery

Since the presentation of the Interim Report, the issue of a new cemetery site has surfaced. As reported, a site selected by a Tri-Municipal Committee was requested to be transferred from the Federal Government (the site presently serves as a site for one of the Kenora Airport beacons). Subsequently, Jaffray-Melick objected to the use of the site for cemetery use which caused some displeasure amongst the other municipalities. It is yet another indication of the three municipalities' inability to effectively communicate and co-operate.

The present cemetery is expensive to operate, requiring 10,000 cu.yds. of fill per year to provide new burial areas. This site will be full in three to five years and it is imperative that a new location be identified and developed immediately.

RECOMMENDATION NO. 60

UNDER THE PRESENT STRUCTURE, SELECTION OF A NEW SITE FOR A CEMETERY, SCRUTINY OF BUDGETS AND COST APPORTIONMENTS SHOULD BE DELEGATED TO THE TRI-MUNICIPAL SEWER & WATER AUTHORITY. OPERATION OF THE NEW FACILITY SHOULD BE THE RESPONSIBILITY OF THE MUNICIPALITY WITHIN WHOSE BOUNDARY IT IS LOCATED.

RECOMMENDATION NO. 61

IN THE ABSENCE OF AMALGAMATION, CEMETERY OPERATION SHOULD BE THE RESPONSIBILITY OF A TRI-MUNICIPAL UTILITIES COMMISSION.

1) SOCIAL & FAMILY SERVICES

(i) Welfare Assistance

Lack of interest by the Ministry of Community & Social Services seems to be the prime cause for the failure of the three municipalities to form a Tri-Municipal Welfare Board. The Ministry having failed to convince the municipalities of the merit of a District Wide Welfare Board has subsequently allowed the matter to remain dormant for a period of seven years.

It is apparently permissible for Jaffray-Melick and Keewatin to arrange for Kenora to operate all welfare administration for the three municipalities. Budgets and cost apportioning could come under scrutiny of the expanded Tri-Municipal Sewer and Water Authority (re-named appropriately); however, transfer of this function to a Tri-Municipal Services Commission would be preferred, as it would no longer identify the service with a particular municipality.

RECOMMENDATION NO. 62

IN THE ABSENCE OF AMALGAMATION, WELFARE SHOULD BE ADMINISTERED BY A TRI-MUNICIPAL SERVICES COMMISSION. THE LOCAL SHARE OF WELFARE ASSISTANCE WOULD BE CHARGED TO EACH MUNICIPALITY AND THE NET ADMINISTRATIVE COST (AFTER THE PROVINCE'S 50% SUBSIDY) WOULD BE SHARED ON THE BASIS OF THE RATIO OF WELFARE ASSISTANCE PAYMENTS PROCESSED.

(ii) Assistance to the Aged

It is interesting to note that the local share of the cost of assistance to the aged is distributed to the municipalities on the basis of equalized assessment. I believe this is the only service to be shared in this manner.

Municipal councils are not at all involved with the monitoring of operating budgets and the practice of charging 30% of the operating budget back to the municipalities seems redundant. There is little discretion in the level of service as far as operating costs are concerned.

RECOMMENDATION NO. 63

THE PROVINCE SHOULD DISCONTINUE THE PRACTICE OF CHARGING MUNICIPALITIES FOR A PORTION OF THE OPERATING COSTS OF HOMES FOR THE AGED. OPERATIONS ARE ALMOST ENTIRELY REGULATED BY THE PROVINCE WITH LITTLE INPUT PROVIDED BY OR REQUESTED FROM THE MUNICIPALITIES.

There is merit, however, in sharing a portion of the capital cost of homes for the aged with the municipalities. This provides a check on the demands which might otherwise be pressed on the Province by the municipalities.

m) CHILDREN'S SERVICES

(i) Children's Aid Societies

Under the present structure, municipalities have little direct involvement with services to children, except in their recreation programs and in the operation of Day Care centres. Although technically

municipalities monitor the budgets of the Children's Aid Society, this process is not particularly effective and few municipal councils have any awareness of the day to day operations of these societies.

Municipal officials have offered the opinion that the budget process for Children's Aid Societies is complicated, the budget documents very difficult to understand and that the municipalities were in no position to judge the relative merits of the various programs delivered by the Society.

The Ministry is moving towards a "services approach" to funding whereby the Ministry, the municipality, and the Society would reach agreement on the nature and level of service to be provided by the Society, following which the Province will allocate funds based on the number of children served by the Society. Formulas will be global and will take into account the higher costs incurred by Societies operating in smaller northern areas. The Ministry will provide regularly, statistical information and analysis on agency performance.

No significant changes in municipal cost sharing formulas are expected to result and it is hoped that the new process will make it easier for the municipalities to participate effectively in the management of Children's Services.

Some costs for Children's Aid Societies are allocated based on the location from which the child first came into the care of the Society. It has been observed that this formula may not be appropriate as it is believed that a substantial number of children from the unorganized areas are deposited in the municipalities for brief periods before coming under public care.

RECOMMENDATION NO. 64

COST SHARING BETWEEN MUNICIPALITIES FOR CHILDREN'S AID SOCIETY COSTS SHOULD BE BASED ON THE RATIO OF EQUALIZED ASSESSMENT, THE SAME METHOD WHICH THE MUNICIPALITIES MUST USE TO RECOVER THESE COSTS.

(ii) Nurseries

Since the presentation of the Interim Report, Keewatin and Jaffray-Melick have entered into a purchase of service agreement with respect to the Kenora Day Care Centre. This has resulted in providing needed access to the service to the residents of these communities.

Unlike other services such as the Children's Aid Society and the Board of Education, the Province of Ontario makes no contribution to the Day Care Centre on behalf of the residents of the unorganized areas.

RECOMMENDATION NO. 65

THE PROVINCE SHOULD CONTRIBUTE A PORTION OF THE COST OF DAY CARE CENTRES ON BEHALF OF RESIDENTS OF UNORGANIZED AREAS, TO THE SAME EXTENT AS A MUNICIPALITY PARTICIPATING THROUGH A PURCHASE OF SERVICE AGREEMENT.

(iii) Provincial Services

The Province is moving towards a policy of co-ordinating all provincial programs related to children through the Ministry of Community and Social Services via the Children's Services Division. Once full provincial integration has taken place, it is intended that full co-ordination of all services will also take place at the local level, under the authority of local government. It is too soon to judge what impact this will have on municipal government; however, the clear intention appears to be to transfer more authority for children's services to municipalities. The guiding principals for this program include:

- Programs previously administered by the Ministry of Correctional Services, Ministry of Health, and Ministry of the Attorney General will all be integrated by the Children's Services Division together with Community and Social Services programs for child welfare, day nurseries and children's and youth institutions.

- The Children's Services Division will not maintain responsibility for the delivery of programs once integration has been achieved; rather decentralization will occur.
- Gradually programs will be transferred to some local level of organization - under the authority of local government.
- The boundaries of authority of the local organization must coincide with relevant local political jurisdiction.

It has been suggested by the Province that children's services be structured over the whole of the Kenora-Rainy River District. Severe opposition to this notion has been expressed by local officials. It is apparent that even on a tri-municipal basis, it might not be feasible to provide all the professional skills and programs necessary; however, it is equally apparent that the great distances, variable priorities, problems and resources which exist in the Kenora-Rainy River District create problems. A single organization would represent little improvement over a centralized operation for the Province.

RECOMMENDATION NO. 66

CHILDREN'S SERVICES SHOULD BE CO-ORDINATED ON A TRI-MUNICIPAL BASIS WITH PERHAPS DELIVERY OF SERVICES TO RESIDENTS OF THE UNORGANIZED AREAS THROUGH A CONTRACT WITH THE PROVINCE.

If the children's services are to come under the authority of elected officials, amalgamation or transfer of responsibility to a tri-municipal commission will be necessary. The Province should reconsider its decision not to co-ordinate education with all other children's services. The Ministry of Education has the most direct involvement with children through most of their lives. It presently delivers professional services relating to emotional, health and family problems, recreational programs and a transportation system. Through the School Boards, there is also an area-wide elected body which could easily assume responsibility for other children's services. In fact, expansion of their area of responsibility might be extremely beneficial towards enabling our education system to deal with society's problems.

RECOMMENDATION NO. 67

IN THE PROCESS OF DETERMINING THE MANNER
IN WHICH CHILDREN'S SERVICES WILL BE DEL-
IVERED BY THE PROVINCE, CONSIDERATION
SHOULD BE GIVEN TO AT LEAST PARTIAL INTE-
GRATION WITH THE EDUCATIONAL SYSTEM.

n) RECREATIONAL AND CULTURAL SERVICES

There are striking examples of the problems faced by small municipalities in trying to deliver what some consider to be the 'frills' of local government service. Recreational and cultural services have

become one of the more significant components of municipal budgets in recent years. Capital costs for facilities can be very substantial and operating costs, even after deducting user fees, are increasing faster than the rate of inflation, as levels of service are upgraded.

Keewatin seems to operate two separate committees, a council committee composed of three councillors and a parks and recreation board of 5 citizens appointed annually by council. Neither is legitimate. By-law No. 750 (1963) establishes a single committee consisting of 2 councillors and 5 citizens.

RECOMMENDATION NO. 68

THE TOWN OF KEEWATIN SHOULD EITHER
AMEND BY-LAW NO. 750 OR ESTABLISH
ITS PARKS AND RECREATION COMMITTEE
IN ACCORDANCE WITH IT.

Kenora, in addition to its Parks and Recreation Committee of Council, delegates the authority for the operation of the Kenora Recreation Centre to a separate board. The selection of a manager for the complex has been the source of considerable debate centering on the issue as to whether or not a recreation director is necessary. At present, there is none in Kenora and the prime emphasis seems to be

the provision and operation of facilities rather than the identification of needs and delivery of services.

The Kenora Management Study recommended dissolution of the Kenora Recreation Centre Board of Management and the introduction of a Parks and Recreation Department which would also administer the cemetery.

Kenora presently is a large enough community to warrant the services of a full-time recreation director. Several studies have made this same recommendation and that the operation of the town's parks and recreation program be returned to municipal administration without the services of a special purpose body.

Jaffray-Melick also operates a committee to advise council on parks and recreation matters. From a budget standpoint, Jaffray-Melick gives this area of service a very low priority.

It is the writer's view that the importance and the need for continuance of the volunteer role should not be underestimated; however, that role is best performed as instructors, coaches, parent groups, and advisory boards but not as operating boards.

RECOMMENDATION NO. 69

KENORA SHOULD RESTRUCTURE ITS ADMINISTRATION OF PARKS AND RECREATION:

- A FULL TIME RECREATION DIRECTOR SHOULD BE EMPLOYED TO IDENTIFY KENORA'S NEEDS, DEVELOP PROGRAMS AND ENCOURAGE VOLUNTEER SUPPORT.
- THE KENORA RECREATION CENTRE SHOULD BE ADMINISTERED BY A MUNICIPAL DEPARTMENT, AS RECOMMENDED BY THE KENORA MANAGEMENT STUDY.
- A PUBLIC ADVISORY BOARD SHOULD BE ESTABLISHED, CONSISTING OF INDIVIDUALS REPRESENTING VARIOUS SPORTS, INTERESTS, COMMUNITY ORGANIZATIONS AND THE SCHOOL BOARDS. THIS BOARD WOULD PERIODICALLY APPRAISE THE DELIVERY OF SERVICES TO ASSIST THE RECREATION DIRECTOR IN DETERMINING AREA NEEDS.

Since the preparation of the Interim Report, Keewatin has been successful in its effort to rebuild the arena and curling clubs, a tremendous accomplishment for a small community.

Due to the physical proximity of the three municipalities, parks and recreation services are being shared effectively today - shared in use but not in cost. Kenora operates the area's only swimming pool and tennis courts and the only service for some sports and recreation programs. Major regional needs for the area include track and field facilities which are presently being contemplated by Kenora.

The area would benefit greatly from the services of a recreation director and co-ordinated planning of its parks and recreation facilities. In the absence of amalgamation however, it is unlikely that this service could be shared by the three municipalities.

In the area of cultural facilities, there is no auditorium facility anywhere in the Kenora area. The high school gymnasium is the facility used for major productions in the area. Unless the Board of Education determines that an auditorium is a high priority, an unlikely event at this time of decreasing enrolments, it is unlikely such a facility will be achieved.

RECOMMENDATION NO. 70

IN THE ABSENCE OF AMALGAMATION, CONSIDERATION SHOULD BE GIVEN TO EXPANDING THE MANDATE OF THE SCHOOL BOARD TO PROVIDE AND OPERATE REGIONAL SPORTS, RECREATIONAL AND CULTURAL PROGRAMS AND FACILITIES.

o) LIBRARIES

Kenora and Keewatin each operate municipal public libraries administered by Public Library Boards. Jaffray-Melick has a Public Library Board, but to date it has not decided to operate its own library. Instead, it transfers its per capita grant to Kenora.

The net result is that Kenora, with the best facilities, is providing a regional library service, particularly to Jaffray-Melick. Kenora taxpayers are subsidizing library services to residents of the other two municipalities. Kenora receives per capita grants from the Province on behalf of the residents of the unorganized areas. Keewatin, who provide some service to some of the unorganized residents receives no assistance of this nature.

Integration of library services on an area-wide basis would improve library services to all three municipalities and eliminate the necessity of maintaining three library boards. Local library service could be administered even beyond the tri-municipal area.

RECOMMENDATION NO. 71

THAT A UNION LIBRARY BOARD BE ESTABLISHED SERVING THE SAME AREA AS THE KENORA BOARD OF EDUCATION. RECOGNIZING THE SERVICE PROVIDED TO THE UNORGANIZED AREAS, SPECIAL FUNDING SHOULD BE PROVIDED BY THE PROVINCE ON A PER CAPITA BASIS FOR THESE RESIDENTS.

The Jaffray-Melick Library Board has petitioned the Township's council each year for a municipal contribution to the Kenora Library. To date, the Township's response has been minimal with the largest donation being \$500.00.

Under the present structure, it would not be fair to share library costs on a per capita basis. Rather, I suggest some formula recognizing the relative percentage of library memberships of the two municipalities and the ratio of equalized assessment should be used. Since the priorities for library service might be lower for a Township's council, some portion of Jaffray-Melick's share could be borne by higher membership fees for Township members.

RECOMMENDATION NO. 72

IN ITS ROLE OF UPGRADING THE CULTURAL AMENITIES OF THE REGION, THE MINISTRY OF NORTHERN AFFAIRS SHOULD BE REQUESTED TO CONSIDER SPECIAL AID TO UPGRADE LIBRARY FACILITIES IN THE AREA. ADDITIONAL GRANTS ARE JUSTIFIED, RELATED TO THE UNION BOARD'S FUNCTION AS A REGIONAL RESOURCE LIBRARY.

Recently Kenora has requested that Jaffray-Melick consider sharing the costs of the Kenora Library through a contribution by the Municipality. Kenora specifically requested cost sharing on the basis of relative populations. This was based on the fact that the portion of the populations of both municipalities who belong to the Library is limited. About 49% of Jaffray-Melick residents and 54% of Kenora residents belong to the Kenora Library. All pay the same fee.

RECOMMENDATION NO.73

IN THE ABSENCE OF AMALGAMATION

JAFFRAY-MELICK SHOULD PARTICIPATE IN THE COST OF THE KENORA LIBRARY PARTLY BY INCREASED MEMBERSHIP FEES PAID DIRECTLY BY TOWNSHIP MEMBERS AND PARTLY BY A MUNICIPAL GRANT. THE GRANT SHOULD BE CALCULATED BY A FORMULA BASED ON THE PERCENTAGE OF TOTAL LIBRARY MEMBERSHIPS HELD BY TOWNSHIP RESIDENTS AND THE RELATIVE EQUALIZED ASSESSMENT OF THE TOWNSHIP COMPARED WITH KENORA.

The Provincial Library grant has not changed for some years, remaining at \$1.80 per capita. Considering the Kenora Library now costs over \$15 per capita for Kenora, the Provincial share of library services

has sharply declined. The situation is particularly difficult in Northern Ontario where the cost of books and facilities is higher, populations are relatively static, and the lack of alternate entertainment, cultural activities, and special programs creates an even greater priority for the full range of library services. The Canadian Library Association standards for public libraries state that a population of 50,000 people is a minimum base for an adequate library service. It could be argued that the Northern Ontario Support Grant compensates for this factor however, in the eyes of the Library Board, Library support is best delivered through conditional grants.

RECOMMENDATION NO. 74

THE PROVINCE OF ONTARIO, PERHAPS THROUGH THE MINISTRY OF NORTHERN AFFAIRS, SHOULD CONSIDER A DIFFERENTIAL IN THE PER CAPITA LIBRARY GRANT FOR NORTHERN ONTARIO PUBLIC LIBRARY BOARDS.

It should be noted that cost sharing for a Union Library Board is left to the discretion of the municipalities joining in the Union. Formulas for cost sharing can be developed which could take into account such factors as relative assessment, priority of library service, and the level of service provided to each municipality.

p) MUSEUM

The Lake of the Woods museum is presently operated by an Advisory Board on behalf of the Town of Kenora. Although it serves to protect the heritage of the area, the museum receives no contribution from any municipality except Kenora. Recently, discussions have been held in Keewatin with respect to a separate facility there. Although two buildings in the area have been designated for protection under the Ontario Heritage Act, there is no Local Architectural Conservation Advisory Committee. This is unfortunate in the view of the Ministry of Culture and Recreation, given the richness of architectural and historical resources in the area.

RECOMMENDATION NO. 75

A TRI-MUNICIPAL COMMITTEE SHOULD BE ESTABLISHED TOGETHER WITH THE MINISTRY OF CULTURE AND RECREATION, TO CONSIDER:

- THE MANNER IN WHICH THE MUSEUM MEETS THE AREA-WIDE REQUIREMENTS.
- WHETHER TRI-MUNICIPAL SUPPORT AND REPRESENTATION ON THE BOARD IS JUSTIFIED.
- THE ESTABLISHMENT OF A LOCAL ARCHITECTURAL CONSERVATION ADVISORY COMMITTEE, UNDER SECTION 28 OF THE ONTARIO HERITAGE ACT. THE COMMITTEE WOULD BEST BE STRUCTURED ON A TRI-MUNICIPAL BASIS.

Museums today serve a valuable role in operating programs to educate the public in the heritage of our past. In this role and in their need for administrative and board room facilities, they share several common requirements with the Public Library. Kenora is presently considering a new municipal complex and police station, and renovating the old post office. The Town has also identified needs for expanded library and museum facilities.

To date, due to the existence of several boards, ministries and municipal government, there has not been much consideration given to integrating several of these functions.

RECOMMENDATION NO. 76

A JOINT COMMITTEE OF THE MUSEUM BOARD, LIBRARY BOARD, COUNCIL AND ADMINISTRATION SHOULD BE ESTABLISHED TO DETERMINE THE MOST EFFICIENT MANNER OF SATISFYING THE PHYSICAL NEEDS OF THE LIBRARY AND MUSEUM.

q) PLANNING AND DEVELOPMENT

(i) Planning Control Documents

Considerable upgarding of planning controls has been undertaken in all three municipalities in recent years. Since 1976, the Tri-Municipal Planning Board has been established and has been trying to implement a new area-wide Official Plan since that time. The Tri-Municipal planning area includes considerable unorganized territory as shown in Plate No. 1. This has caused considerable discontent and it is only now that rural residents have begun to react to the effects of the proposed Official Plan.

Joint planning is an alternate solution to satisfy the area's development needs in the absence of amalgamation of the existing municipalities. It is, at best, an imperfect solution since competing priorities often will not permit wide area planning to be effective. For example, the rocky terrain which prevails in Kenora and Keewatin would normally restrict future development to infilling, prohibiting future expansion of municipal services. The relatively rock-free areas of the township would accommodate the majority of new industrial, commercial and residential development. This approach, of course, would deny needed commercial-industrial assessment to Keewatin. Discouraging new residential development in Keewatin would also create additional burdens on the existing home owners who are counting on some growth to assist in paying for the new sewer and water system.

Considerable difficulty has been experienced in the administration of planning matters in the area. Kenora has recently experienced difficulties in amending its Zoning By-law. Jaffray-Melick at one time prepared an Official Plan which the Province refused to consider and the Tri-Municipal plan has already been over four years in process and may be yet some distance from approval.

These difficulties are at least partly due to the general lack of understanding of the planning process compounded by the lack of professional planning staff. This situation has created a major disservice to area residents. Multi-million dollar investments are being made for sewer and water facilities in the area, with little guidance as to future development patterns. This can only lead to lost opportunities for added benefit and wasteful duplication of reserve capacities.

The province has recognized the reluctance of municipalities to devote budgets to planning matters by providing substantial assistance for planning programs. While effective in some ways, the Ministry's regulations are cumbersome and do not encourage continuity in professional assistance. There is a tendency to create a substantial reliance on provincial staff for planning advice. The turnover of this staff, however, has been quite rapid. Operating as it does from Thunder Bay and Toronto makes communication, at times, quite difficult. Planning consultants are sometimes retained, but usually only on a single assignment basis. The lack of professional municipal planning staff reduces the effectiveness of the input of consultant and municipal staff alike.

RECOMMENDATION NO.77

THE PROVINCE SHOULD REVIEW ITS POLICIES WITH RESPECT TO PLANNING ASSISTANCE TO MUNICIPALITIES, REINFORCEMENT OF THE PROFESSIONAL CAPABILITIES OF LOCAL MUNICIPALITIES AND CONTINUITY IN THE USE OF PROFESSIONAL ADVISERS SHOULD BE GIVEN A HIGH PRIORITY.

(ii) Subdivision Control

None of the municipalities has adopted a standard subdivision agreement and there is little uniformity in the standards of construction, or inspection of new subdivisions. Inadequate inspections and incomplete agreements can lead to a legacy of deficient services and future costs to ratepayers.

RECOMMENDATION NO.78

A STANDARD SUBDIVISION AGREEMENT SHOULD BE IMPLEMENTED BY ALL THREE MUNICIPALITIES, PREFERABLY ON AN AREA-WIDE BASIS. MINIMUM STANDARDS SHOULD BE THE SAME FOR ALL THREE MUNICIPALITIES, WHILE STILL RECOGNIZING DIFFERENCES BETWEEN URBAN AND RURAL SITUATIONS.

The subdivision review and inspection offers opportunities for co-operation between the three municipalities. In the absence of amalgamation, this function would best be performed by the Tri-Municipal Services Commission. The majority of the costs for this service could be recovered from fees charged to developers.

RECOMMENDATION NO. 79

IMPROVED INSPECTION PROCEDURES SHOULD BE IMPLEMENTED TO ENSURE ADEQUATE STANDARDS OF CONSTRUCTION ARE MAINTAINED. THE COST OF THESE INSPECTIONS SHOULD BE RECOVERED FROM THE DEVELOPER OF THE SUBDIVISION.

(iii) Industrial Development

New industrial development would seem to be a relatively low priority with all three municipalities. While not actively discouraging new development, little specific effort is made towards its promotion. None of the municipalities has a serviced industrial area and there has been no determination of future needs in this area. There is no active promotion undertaken by the municipalities for industrial development. It is particularly surprising that Kenora has virtually no suitable areas which could be developed into industrial sites and that the Town has not actively encouraged redevelopment of its waterfront areas.

There are opportunities for co-operation in the area of industrial development. In the absence of amalgamation, this is another service which could be delivered by the tri-municipal commission.

RECOMMENDATION NO. 80

IN THE ABSENCE OF AMALGAMATION, THE TRI-MUNICIPAL SERVICES COMMISSION SHOULD RETAIN AN INDUSTRIAL DEVELOPMENT OFFICER. THE COMMISSION SHOULD ALSO BE CHARGED WITH THE DEVELOPING OF SUITABLE SITES FOR NEW INDUSTRIAL AND COMMERCIAL DEVELOPMENT.

Funding for the commission could be shared initially by contributions from all three municipalities. Subsequently assessments could be made as a percentage of the first few years of taxes generated by new enterprise.

(iv) Building Inspection

This area of local government service has not received the priority it deserved in the past. There has been limited inspection of new construction and not much attention to minimum property standards.

Building and plumbing inspection requires some understanding of building codes and practices. Failure to provide this

service with qualified personnel can lead to tragic consequences and at the very least, a legacy of blight for future generations to resolve. It could also expose the Municipality to liability claims.

Jaffray-Melick has recently employed an individual on a part-time basis to carry out building inspections. With the installation of sewer and water, this may require a full-time person for a period of time. Keewatin has hired a full-time plumbing and building inspector some time ago as activity increased during its sewer and water program. Kenora has always maintained a full-time building inspector.

Building and plumbing inspections and enforcement of property standards could easily be carried out on a tri-municipal basis. Performance standards are all regulated by the National and Ontario Building Codes and the Provincial Plumbing Code. This would permit the hiring of a well-qualified senior man together with the necessary support staff to provide this vital service.

RECOMMENDATION NO. 81

BUILDING AND PLUMBING INSPECTIONS AND ENFORCEMENT OF PROPERTY STANDARDS BY-LAWS SHOULD BE ADMINISTERED ON A TRI-MUNICIPAL BASIS. THIS SERVICE SHOULD ALSO BE EXTENDED TO THE UNORGANIZED AREAS UNDER CONTRACT TO THE PROVINCE.

Under the present structure this service could be provided by Kenora under contract with the other municipalities. The majority of the costs could be recovered from permit fees with residual costs or revenues shared by some mutually acceptable formula.

7. OPPORTUNITIES FOR SHARED
SERVICES - A SUMMARY

7. OPPORTUNITIES FOR SHARED

SERVICES - A SUMMARY

In the preceeding section, I have suggested ways in which various services could be shared, in the absence of amalgamation:

a) CO-ORDINATED TENDER CALLS

The simplest form of co-operation is one which can be effective in reducing costs by attracting more competitive pricing or more efficient operations. Co-ordinating tender calls together with standardization of materials between all three municipalities will lead to cost savings. Examples include:

- office supplies and equipment
- vehicles and equipment
- mineral aggregates
- culverts
- calcium chloride
- library supplies
- recreation equipment
- specialized services
- paving and surface treatment
- road construction
- utility construction

b) SERVICES BEST PROVIDED BY ONE MUNICIPALITY

Services in this category will most often be provided by Kenora who will have the predominant need for the service, but may have some reserve capacity. Selling the surplus capacity would recover some costs for Kenora taxpayers and provide a bargain for the residents of Keewatin and Jaffray-Melick. For the most part, Kenora's priorities would be met before providing the service to others; however, as with all business transactions, some give and take will be required to reach mutually satisfactory arrangements. Services in this category include:

- utilities and tax invoicing
- animal control
- animal pound
- building inspection
- plumbing inspection
- street sweeping and flushing
- maintenance of pumping stations
- garbage collection
- telephone system
- day care centre

c) SERVICES BEST PROVIDED BY A TRI-MUNICIPAL
SERVICES COMMISSION

Satisfactory delivery of major services demands that area-wide priorities be established based on need and the cost effectiveness of the delivery system. Since these decisions are inevitably of a political nature, it follows that members of the Commission should be elected by and be accountable to the tri-municipal area.

A Tri-Municipal Commission would be elected on an area-wide basis and hence would not be responsible to any single municipality. Services requiring a commission structure will be those which entail considerable public contact, where the individual municipalities and their residents usually show discretion over the level of service required and for which variable rate structures can be set to acknowledge variations in levels of service. To be successful, the Tri-Municipal Commission will recover most costs from user fees. Examples of services best operated by a Tri-Municipal Commission include:

- issue of licences and permits
- engineering services
- snow removal
- road maintenance
- street lighting
- sewage and water treatment plants
- sewer and watermain maintenance
- sanitary landfill
- hydro-electric system
- cemetery
- vehicle maintenance
- welfare assistance
- libraries (Union Library Board)
- planning board (Tri-Municipal Board)
- professional planner
- industrial promotion (Development Commission)
- tourism promotion

d) SERVICES WHICH COULD ONLY BE
INTEGRATED THROUGH AMALGAMATION

Certain services could only be integrated through the amalgamation of the three municipalities for obvious reasons. These include:

- clerk's department
- treasurer's department
- accounting, bookkeeping
- audit services
- fire protection
- police protection
- parking facilities
- parking by-law enforcement
- parks and recreation facilities
- parks and recreation programs
- museum
- committee of adjustment

Plate No. 4 illustrates the recommended method of shared service delivery for the various elements of local government discussed in this report.

SHARED SERVICES
AVENUE FOR INCREASED CO-OPERATION

SERVICE	WITHOUT AMALGAMATION			ONLY POSSIBLE THROUGH AMALGAMATION
	BULK PURCHASING THROUGH COMBINED TENDER CALL	OPERATED BY KENORA AND CONTRACTED TO KEEWATIN AND JAFFRAY-MELICK	BEST OPERATED BY TRI-MUNICIPAL COMMISSION	
1. <u>General Administration</u> - Clerk's Office - Treasurer's Office - Accounting, Bookkeeping & Audit - Utilities & Tax Invoices - Permits & Licences		•	•	• • •
2. Fire Protection				•
3. Police Services				•
4. <u>By-Law Enforcement</u> - Parking, Miscellaneous - Animal Control - Animal Pound - Building Inspection		• • •		•
5. Engineering Department		•		
6. <u>Roads & Sidewalks</u> - Sweeping, Flushing - Snow Removal - Normal Maintenance - Resurfacing - New Construction	• •	•	• • •	
7. Street Lighting			•	
8. Parking				•
9. <u>Utilities</u> - Sewer & Water - Treatment Plants - Complex Maintenance - Routine Maintenance - New Construction	•	•	• •	
10. <u>Solid Waste</u> - Landfill - Collection		•	•	
11. Telephone Systems		•		
12. Hydro-electric System			•	
13. Cemetery			•	
14. Vehicle Maintenance			•	
15. Welfare Assistance			•	
16. Day Care Centres		•		
17. <u>Parks & Recreation</u> - Facilities - Programs				• •
18. Libraries			• Union Library Board	
19. Museum				•
20. <u>Planning</u> - Planning Board - Committee of Adjustment			• Tri-Municipal Planning Board	•
21. Industrial-Commercial Development			• Tri-Municipal Development Commission	
22. Tourism Promotion			•	

OPPORTUNITIES FOR
SHARED SERVICES

PLATE NO. 4

8. THE CASE FOR AMALGAMATION

8. THE CASE FOR AMALGAMATION

It is apparent that effective integration of major local government services would necessitate the introduction of a Tri-Municipal Services Commission. This would create yet another special purpose body and a new set of elected officials. This organization would further weaken the authority of municipal councils and would generate additional administrative costs. These could substantially offset any savings which might be realized through integration. A commission accomplishes co-ordination of service delivery but is not able to fully integrate the policy and priority setting process which would remain an area of responsibility for municipal councils.

Throughout this report, examples have been given of efficiencies and improvement of service which would be achieved through amalgamation. In summary, they are as follows:

- | | |
|------------------------|---|
| General Administration | <ul style="list-style-type: none"> - Reduces certain senior positions - Reduces the cost of accounting, bookkeeping, and auditing - Eliminates the need for two full scale municipal offices and council chambers - Permits area-wide priorities to be established. |
| Fire Protection | <ul style="list-style-type: none"> - Keewatin and the urbanized portions of Jaffray-Melick warrant the increased protection provided by full-time personnel. Fire prevention programs would be more available. Equipment and full-time staff could be located on both sides of the Winnipeg River as well as in the Rabbit Lake Area. Duplications of stand-by equipment and supplies would be eliminated. |

Police Protection

- The cost to extend Kenora Police coverage to Keewatin and Jaffray-Melick would be quite nominal and likely less than the resulting increase (almost \$55,000 per year) in the Ontario Per Capita Grant for police services.
- Police service would be improved and there would be a decrease in the operating costs for the Ontario Provincial Police. Amalgamation would eliminate the inequity of the cost of police protection which is presently borne directly by the Kenora taxpayer but delivered at no charge to residents of Keewatin and Jaffray-Melick.
- Amalgamation is preferred to the other option ie., to offer Ontario Provincial Police service to Kenora, at no charge to local residents.

By-Law Enforcement

- Full time staff can economically enforce municipal by-laws on an area-wide basis with costs substantially recovered by the revenues from fines, licences, and other fees. Pound operators and animal control can be consolidated effectively permitting the special skills and equipment necessary to be maintained economically.

Roads

- Specialized equipment such as sweepers, flushers, sanders and asphalt patching equipment would not be duplicated in each municipality.
- In-house engineering services would be available to assist all three municipalities.
- Combined tender calls for materials and road construction would attract greater interest and realize the economies of bulk purchasing.
- Centralized maintenance facilities for heavy equipment would be available.
- Deficiencies in the area's road system could be eliminated more effectively in a co-ordinated long-term program in which needs would be prioritized related to relative merit. This would also permit the Province to more effectively co-ordinate its programs to benefit the municipalities. Such services as bridge inspections and maintenance, hydro-seeding, surface treatment, roadside ditching, and paving are only available and economical with significant work volumes to attract competitive prices.
- Mineral aggregate supplies for winter sanding and road construction could be developed and operated.
- Interruptions to road maintenance activities are common in Jaffray-Melick and Keewatin. Competing priorities and the lack of equipment for their small work forces can often create inefficient operations.

- Public Transit
- Better levels of service could be provided for low profit routes with municipal subsidies. These would be easier to negotiate with an amalgamated municipality.
- Utilities
- In the absence of amalgamation, major utilities can only be operated successfully through an area-wide public utilities commission. Amalgamation would eliminate the need to elect, finance and administer yet another special purpose body which, in this case, would operate almost completely beyond the influence of municipal councils.
 - Utilities operations demand specialized skills, service equipment, professional advice and management. The cost to provide an adequate level of service independently by each municipality would be excessive.
 - Amalgamation would eliminate the costly duplication of services, designed for growth areas, separately located in each community. By selecting the most feasible location for future residential, commercial and industrial development for the area, more effective use can be made of available budgets. Similarly available plant capacity can be dedicated to future development without concern as to whether or not each individual municipality's future growth is jeopardized.

- | | |
|-----------------|--|
| Storm Drainage | <ul style="list-style-type: none">- As with all utilities, amalgamation would ensure uniform standards for new construction throughout the area, while permitting appropriate variations for rural, urban, and downtown areas. |
| Solid Waste | <ul style="list-style-type: none">- Garbage collection can be effectively organized on an area-wide basis using Kenora's existing equipment with little increase in salary costs.- Selection of future sanitary landfill sites will not be affected by the relative effects on each of the three municipalities. |
| Telephone/Hydro | <ul style="list-style-type: none">- Kenora's existing hydro and telephone structure could likely operate the entire electrical/telephone systems for the Tri-Municipal area with a nominal increase in staff.- Consolidation would likely result in increased net revenues to the amalgamated municipality.- Conversion to electronic telephone equipment, if necessary, is facilitated.- Telephone and electrical rates for Jaffray-Melick residents would decrease substantially. |

- Cemetery - Costs would be distributed on the basis of equalized assessment.
- Welfare - A single office would administer welfare for the Tri-Municipal area. Service delivery would be by full-time staff fully conversant with the available programs.
- Children's Services - Integration of the various services to children would be more feasible with a single municipality.
- Cultural and Recreation Services - Needs could be identified, programs developed and facilities located on an area-wide basis. This would reduce duplication and maximize the use of costly facilities.
- Costs for regional facilities would be distributed throughout the entire area benefiting from the service.
- Libraries - Integration of library services would be possible through a municipal library board, eliminating the need to deal with three separate councils.
- Operations of a single library board would reduce the cost of administration, and improve service to all three municipalities.

Museums

- The heritage of the entire area would be more effectively preserved.

Planning & Development

- Planning controls would effectively address the needs of the area as a whole.
- Standardization of subdivision agreements is easily accomplished together with adequate inspections of new developments.
- Uniform administration of building and plumbing inspections and property standards and by-laws is accomplished.

Industrial Development & Tourism Promotion

- Industrial development areas can be identified and developed.
- The area can better respond to opportunities with a co-ordinated structure.
- Inter-area competition is eliminated.
- More effective promotion of the area can be accomplished.

9. FINANCIAL IMPLICATIONS
OF AMALGAMATION

9. FINANCIAL IMPLICATIONS OF AMALGAMATION

(i) INTRODUCTION

Much concern has been expressed, particularly by residents and officials of Kenora and Jaffray-Melick that municipal taxes in their communities would increase dramatically with amalgamation.

With the assistance of staff from the Ministry of Intergovernmental Affairs, I have prepared a simulated model of the 1978 fiscal year. This section will analyse the situation with the three separate municipalities in 1978, and determine the changes that would have occurred had they been amalgamated as one municipality. In the analysis, we have assumed that the level of municipal spending would have been exactly the same in both cases.

(ii) CHANGES IN PROVINCIAL GRANTS

Provincial grants are divided into two categories:

- specific grants which are related to defined programs, projects, and areas of municipal activity.
- unconditional grants which are not related to specific services..

In order to determine the net taxes to be collected from municipal property taxes, it is necessary to determine the amount of revenue which would be provided by the Province.

Appendix No. 2 of this report analyses the changes to provincial grants in detail. The net increase in grants due to amalgamation is \$169,000.

Major factors include:

- The transfer of jurisdiction of 62 kilometres of provincial highways to municipal jurisdiction increases municipal spending by \$45,000.
- A reduction in connecting link subsidies in Keewatin from 100% to 90% reduces grants by \$1,600.
- The reduction in the rate of subsidy for township roads from 80% to 50% reduces provincial grants by \$40,000.
- Due to the high residential assessment in Keewatin and Jaffray-Melick, the resource equalization grant rate rises to almost 15% for the new community; it is presently less than 5% for Kenora. This generates an additional grant of \$251,000.
- The larger municipality generates a slightly higher per capita general grant - an increase of \$3,000.
- Although the per capita police grant will increase by about \$51,000, it is assumed that police costs will also increase to offset this gain; therefore, it has not been included in my calculations.

(iii) MILL RATES FOR THE AMALGAMATED MUNICIPALITY

The law requires that the residential mill rate for a municipality be established at 85% of its commercial-industrial rate. The mill rate for a municipality is calculated by dividing the total taxes to be raised by the area's assessment. Provincial and federal governments and their agencies provide payment in lieu of taxes. These payments are based on the commercial mill rate for the area, applied to specified assessment formulas for these facilities.

Where areas with different assessment formulas must share in contributions to the same tax, an equalization factor is determined by the Province to bring all assessments to a common base.

Calculations for mill rates for the amalgamated municipality are provided in Appendix No. 2.

For 1978, the following table shows the manner in which the tax burden was shared in the three municipalities, together with the distribution for an amalgamated municipality.

1978 GENERAL MUNICIPAL TAXATION			
FOR EACH \$1,000 RAISED BY	RESIDENTIAL FARM SHARE	COMMERCIAL INDUSTRIAL SHARE	PAYMENTS IN LIEU OF TAXES
Kenora	\$380	\$540	\$ 80
Keewatin	\$694	\$239	\$ 67
Jaffray-Melick	\$487	\$315	\$198
Amalgamated Municipality	\$414	\$488	\$ 98

1978 GENERAL MUNICIPAL TAXATION (All Figures in \$1,000)					
DESCRIPTION	KENORA	KEEWATIN	JAFFRAY-MELICK	TOTALS	AMALGAMATED MUNICIPALITY
General Expenditures	4,061	641	435	5,137	5,137
Less Ontario Grants	(1,667)	(317)	(283)	(2,267)	(2,436)
Less Miscellaneous Revenues	(1,265)	(89)	(21)	(1,545)	(1,545)
Amount Necessary in Local Taxes and Payments in Lieu	1,109	85	131	1,325	1,156

DISTRIBUTION OF TAXES	Actual 1978 With Amalgamation			
Residential-Farm	421	59	64	544
Industrial-Commercial	599	20	41	660
Payment in Lieu	89	6	26	121
				113

(iv) DISTRIBUTION OF LOCAL TAXES

Appendix No. 2 illustrates the portion of the 1978 expenditures that were paid by local taxes by each municipality. I have assumed these expenditures will be constant for an amalgamated municipality. As shown in paragraph (ii) above, provincial grants would increase by \$169,000. We can now calculate the distribution of municipal taxes for an amalgamated municipality, using the mill rates as tabulated in paragraph (iii) above.

Plate No. 5 summarizes the results of these calculations. It is apparent that:

- The distribution of local taxes is substantially affected in all three municipalities.
- Residential taxes decrease in Kenora (19%) and Keewatin (27%) but increase in Jaffray-Melick (48%).
- Industrial-commercial taxes decrease in Kenora (19%) and Keewatin (25%) but increase in Jaffray-Melick (49%).
- Payments in lieu of taxes decrease by 7% on an area-wide basis.
- Local taxes on an area-wide basis decrease by 13% through amalgamation.

(v) EFFECT ON THE AVERAGE HOMEOWNER

At first glance, these figures appear punitive to Jaffray-Melick; however, it must be remembered that Township residents will gain other advantages:

- Hydro-electric charges could decrease by almost \$100 per year.
- Township residents will receive additional services from the amalgamated municipality.

In order to make a reasonable assessment of the situation facing residents of each area, it is more informative to calculate the effects on the typical home with a market value between \$50,000 and \$70,000 in each municipality. The following chart illustrates this analysis:

1978 GENERAL TAXATION				
Location	Actual Local Assessment	Equalized Assessment	Tax Before Merger	Tax After Merger
Kenora	\$18,860	\$ 22,594	\$233	\$189
Keewatin	4,080	12,830	146	107
Jaffray-Melick	3,225	15,505	87	130

The above figures only include general expenditures (ie., expenditures which apply to the entire area). The net impact on the Jaffray-Melick homeowner is a tax increase of \$43.00 per year. This figure would be more than offset by reductions in electrical and telephone charges, if these utilities are taken over by the amalgamated municipality.

In addition to these taxes, there are additional costs to area residents who receive extra services which are not area-wide, ie., taxes which are collected for sewers, watermains, and street lighting are only charged to those properties benefiting from the service. For the same homes listed above, the total taxes were as follows in 1978:

	KENORA	KEEWATIN	JAFFRAY-MELICK
Taxes for General Expenditures as above	\$233	\$146	\$ 87
Taxes for Sewers, Water-mains, street lighting, and surplus	\$172	\$219	\$ 20
TOTAL TAXES	\$405	\$365	\$ 107

Special area rates should be continued,as presently exist in all municipalities,for taxes collected for sewer, water and street lighting. Residents not receiving benefits from these services, or any other service should not pay any portion of their cost.

This is particularly important for situations where taxes include a portion of the capital costs of local services, a common occurrence.

(vi) RESERVE FUNDS

Each municipality has various assets and cash reserves, as is the case for some of their boards and commissions.

This study will not detail their disposition. It can not be determined whether or not such items as the purchase of Ontario Hydro and Bell Canada systems can be achieved, and whether or not benefits or liabilities should accrue to the entire area.

10. THE AMALGAMATED MUNICIPALITY

10. THE AMALGAMATED MUNICIPALITY

The final form of organization for an enlarged municipality will only be determined after considerable input by local residents and officials. Final decisions must be made substantially by those who must live and work with the selected system.

In this section of the report, I will offer suggestions for policies which could be considered by those involved in the selection process as the final form of organization will substantially affect the delivery of local government services in the future.

(i) The Town Council

Present councils consist of a mayor or reeve and either four or six councillors. Breakdown of councils into committees has not been favoured even in Kenora, perhaps because of the lack of numbers. In any case, an expanded council for the new municipality would better facilitate a full committee structure. It is also important that adequate representation be provided for residents of Keewatin, Jaffray-Melick and the rural residents of all three municipalities. For discussion purposes, I propose a council consisting of a mayor and ten councillors.

Initially, some type of ward system would satisfy concerns that each former municipality be adequately represented on the new council. Such a structure should reasonably provide for equal representation by population while providing a minimum of two representatives from each of the smaller municipalities. The following structure would provide one elected representative for approximately 1,200 people:

<u>Ward</u>	<u>Representation</u>	<u>Approximate Population Per Councillor</u>
1. Keewatin, Norman Tunnel Island	2	1,250
2. Remainder of Kenora	7	1,350
3. Jaffray-Melick	<u>3</u>	<u>1,150</u>
	12	1,270

Ward boundaries should take into account the areas presently grouped into community clubs, or which otherwise share common situations. For this reason, I have included Norman and Tunnel Island with Keewatin rather than with the main body of Kenora. The area shares common transportation needs and will likely be the future location of any major waterfront or highway commercial development. Similarly, consideration could be given to grouping the east end of Rabbit Lake with a portion of the northeast area of Kenora. Until the growing pains of amalgamation are over; however, this consolidation is not recommended.

Physical features generally support the formation of seven wards in Kenora:

- Two wards can be formed to the north of Ninth Street North, divided by the cemetery.
- Two wards can be formed between Ninth Street North and Laurenson's Creek, divided by the CPR tracks.
- Two wards can be formed by the area south of Laurenson's Creek divided by Ninth Avenue South. The westerly ward would include Coney Island and the other islands on Lake of the Woods.

In Jaffray-Melick and Keewatin, the determination of ward boundaries is not as simple and it may be preferable to elect the councillors representing these areas at large, within each area.

Since there has been no local input into this matter requested from local residents to date, it would be presumptuous of me to make further recommendations on the ward structure best suited to the new municipality.

(ii) Committees of Council

The Kenora Management Study recommended that Kenora's present committee structure be revised to provide for three standing committees. I recommend some variations to their proposal which are now incorporated in the following structures:

- A 'hard' services committee dealing with services requiring engineering input. These include roads, utilities, fire protection and the maintenance of all public facilities including parks and recreation facilities.
- A 'soft' services committee dealing with services related to people. These include social services, welfare, parks and recreation program administration, the cemetery, the museum, day care centres, planning and by-law enforcement.
- A committee dealing with administrative matters, organization, personnel, union negotiations, etc.
- Financial matters will be considered by Council as a whole.

This type of structure was not implemented by Kenora who have found that operating as a committee of the whole has permitted all members of council to participate and to be informed on all issues.

With amalgamation, at least in the short term, there will be a substantial increase in activity in all areas as the new municipality finds the most economical method to deliver services on an area-wide basis. The larger council recommended for the new municipality will permit the formation of three standing committees and still allow councillors the time to participate with special purpose bodies, boards and commissions to which they will be appointed.

A committee of the whole Council for the new municipality would likely be unsuccessful in effectively dealing with the many issues to be resolved in the first few years. Committee membership should be limited to 6 to 8 members to facilitate the discussion and to encourage the consistency in attendance necessary to ensure quorums, even at times when the agenda material may be routine. Rules of procedure should permit any councillor to attend and participate in debate at any committee meeting; however, the privilege of voting would be extended only to committee members and of course, the mayor as an ex-officio member of all committees.

This arrangement would permit the full council to attend meetings when controversial subjects were on the agenda, while at the same time not obligate councillors to attend all meeting of all committees.

The first council should ensure that there is representation from wards representing all the former municipalities on all committees.

(iii) Public Participation

In order to enable the residents of all three municipalities to be totally informed on the complex issues affecting the amalgamated municipalities, it is advisable that the meetings of the standing committees be open to the public. This is particularly important in a situation in which councillors representing Keewatin and Jaffray-Melick will find it difficult to communicate with their electors on all issues.

To assist in this process, a system of ward committees similar to that in operation today in Thunder Bay might be effective. The ward committee meetings would permit councillors to discuss current issues with residents of their ward. This would be of great assistance in eliminating unnecessary public concern which inevitably arises through lack of understanding and misinformation.

(iv) Administrative Structure

Kenora's basic administrative structure would form the basis for the delivery of most services, incorporating certain modifications as recommended by earlier sections of this report, and to provide access to services in the outlying areas of the new municipality.

I recommend the following departmental structure:

(a) Public Works

The Public Works Department could consist of a number of divisions, each requiring access to construction equipment:

- roads, including operation of the municipal aggregate supply
- solid waste, including collection and operation of the landfill
- utilities, including telephone, electrical, sewer and water systems
- parks and recreation, including the maintenance of parks, arenas, and other municipal buildings and facilities and the cemetery
- engineering

(b) Social Services

The Social Services Department would administer:

- social services
- welfare assistance
- recreational programs through a full-time recreation director
- the museum
- day care centres

(c) Planning and Development

The new Planning and Development and By-law Enforcement Department would be responsible for:

- official plan, zoning by-law and property standards by-law administration
- administrative services for the planning committee of council and for the committee of adjustment
- by-law enforcement, including parking and animal control
- building and plumbing inspection
- the animal pound
- industrial development and promotion
- delivery of contractual services to the Province for the unorganized areas including building and plumbing inspections and day care services. The municipality should not provide committee of adjustment services or official plan administration for the unorganized areas

Special action would be required to permit this organizational structure to be fully implemented:

- Negotiations should be carried out with Ontario Hydro and Bell Canada to take over their systems in Jaffray-Melick.
- Specific Ontario legislation is required to dissolve the Kenora Hydro Electric Commission, and the Museum Board.
- The proposed Tri-Municipal Official Plan should retain the same planning area but substantial changes would occur in the make-up of the Board.

(v) Special Purpose Bodies

In this report, I have recommended that a number of special purpose bodies be dissolved, or restructured as advisory committees who would continue to provide valuable volunteer assistance and advice, but not as an operating authority. The following structure is recommended to complement administration of the municipality:

(a) Local Special Purpose Bodies

- A Municipal Planning Board (unless the planning area is revised to exclude the unorganized areas, in which case, no planning board is recommended).
- A Public Library Board
- A Police Commission
- A Committee of Adjustment
- An Advisory Committee for the Museum Curator
- An Advisory Committee for the Recreation Director

This recommendation assumes that the following local special purpose bodies would be dissolved and their duties taken over by municipal administration:

- The Kenora Recreation Centre Board of Management, Centennial Board of Management, and Mount Evergreen Ski Club Board.
- Kenora Hydro Electric Commission

(b) Joint Special Purpose Bodies

Although changes in legislation will be necessary to determine the representation given to the new municipality, no change is proposed to the following bodies:

- Kenora Board of Education
- Kenora District Roman Catholic Separate School Board
- Children's Aid Society Board
- Board of Health, Northwestern Health Unit
- Kenora/Rainy-River District Health Council
- Lake of the Woods District Hospital Board - although I have recommended that the legislation for this board be amended to provide for the appointment rather than the election of its members.

(vi) Unorganized Areas

The relative representation provided for the unorganized area residents should be reconsidered during the process of establishing the representation for the new municipality.

As I have recommended extending the boundary of the new municipality to include the McKenzie Portage Local Roads Area, this Local Roads Board should be dissolved.

I have not recommended any change to the planning area boundary. It is essential that policy statements be established to direct land use in the outlying areas in concert with the goals of the organized municipality.

I share the opinion expressed by the Northern Ontario Chapter of the Canadian Institute of Planners that:

" improved controls are needed in Section 17 and 32 of the Act, or a system of comprehensive development permits to support zoning controls."

To permit residents of the unorganized areas to communicate effectively with the Planning Board, it is suggested that they form Local Planning Committees in each of the settlements. These boards would provide input on matters affecting their area, and appoint representatives to the Planning Board.

(vii) Relationships with School Boards

From my discussion with the existing municipalities and the Kenora Board of Education it is apparent that there is no co-ordination or long range planning for capital programs.

Municipalities and School Boards should periodically review their long-term goals in order to sequence capital costs. This will help to eliminate sharp increases in local tax levels.

Similarly school boards and municipalities are involved in transportation systems, services to children, recreation programs and facilities, and library services. There are opportunities for increased co-operation in all of these areas.

I recommend that a standing committee consisting of municipal and school board officials, both elected and appointed, be created. The committee should meet, at least on an annual basis, to review the manner in which services are being delivered to the area.

(viii) Impact of Section 86 Reassessments

All three municipalities have requested the Ministry of Revenue to revise all assessments under Section 86 of the Assessment Act.

In the case of the existing municipalities, this reassessment will have no effect on the calculation of mill rates. There will be no change in the relative portion of the tax bill shared by residential and industrial properties, ie., the distribution remains exactly as shown in paragraph (iii) above. Under Section 86, all residential properties will be reassessed at market value. Changes will be made to treat all residential properties equally. A new equalization factor is then calculated to maintain the total share of the tax bill at the previous level, ie., as shown in Plate No. 5 for Kenora, a total of \$421,000. Similarly, Kenora as a whole would continue to pay the same portion of the total tax as they did before reassessment.

I recommend that the same philosophy apply to the amalgamated municipality. In other words, whether or not reassessment under Section 86 occurs, the relative portions of municipal taxes borne by each segment remain the same, at least for a five year period.

ie., as shown in Plate No. 5, whether or not reassessment under Section 86 occurs, Kenora's residential properties will generate \$341,000 in taxes.

(ix) The Cost of Amalgamation

The restructuring of local government services for Kenora, Keewatin, and Jaffray-Melick will be a time-consuming process. For each area of services, it will be necessary to determine:

- The level of service appropriate for each area of the municipality.
- The manner in which tax levels should recognize varying levels of service.
- The determination of special area rates and the areas to which they would apply.
- The most cost-effective manner of providing the service including the location of the base(s) of operations for each service.
- Disposition or acquisition of assets
- Consolidation of debts
- Integration of personnel, including re-negotiation of union agreements and staff salaries.

This considerable effort will be very demanding on elected and appointed officials. Special assistance will be necessary to accomplish the effective integration of major systems. In this regard, special assistance should be provided in the form of extraordinary grants.

Assistance is recommended to offset the extraordinary cost of:

- Special studies and reports
- Legal and accounting services
- Personnel re-training or separation payments
- Accelerated upgrading of equipment or facilities, necessary for integrated operations.
- Extraordinary assistance towards upgrading areas of particular deficiency, such as the roads in Jaffray-Melick.
- Miscellaneous costs associated with the establishment of a new municipality.

11. FINAL RECOMMENDATIONS

11. FINAL RECOMMENDATIONS

There is no question in my mind that the interests of the residents of Kenora, Keewatin and Jaffray-Melick are best served through an amalgamation of the area into a single municipality. Past history has shown that attempts towards the co-operative delivery of services often are doomed to frustration, sometimes through inattention, but often because of the various levels of priority assigned to each service by each municipality.

At the same time, I have recommended that a number of special purpose bodies be dissolved. This should not be taken as a criticism of the many devoted individuals who have worked diligently in the public interest. I believe that the only way that priorities for municipal budgets can be reasonably established is if their administration lies in the hands of the municipality. Volunteer efforts are better directed to participation in delivery of services, and on advisory committees, to assist administration to evaluate performance and needs.

The Tri-Municipal area shares a common heritage, economic base and most major amenities, including common commercial and administrative facilities in almost all areas, except in the organization of local government. Even here residents use those programs and facilities offered by all three municipalities which appeal to them, irrespective of their place of residence.

Valuable resources are being wasted in the duplication of services which are not planned to effectively meet local needs on an area-wide basis.

My analysis of the financial implications of amalgamation has indicated, rather surprisingly, that a significant increase in provincial grants would

automatically be generated through amalgamation. This is due to the effect of the high percentage of residential assessment in Keewatin and Jaffray-Melick, tending to reduce the overall impact of Kenora's large industrial-commercial base.

Tax levels fall dramatically in Keewatin and Kenora and, although an increase in Jaffray-Melick is inevitable, it could be substantially offset by reductions in fire insurance and hydro-electric and utilities charges. More importantly, the Township residents will escape the inevitable cost spiral which a small rural municipality must encounter when it embarks on intensive urban development. As part of an enlarged community, new development in the Township is merely an orderly extension of an existing service structure.

The combined effects of improved efficiencies in operation, elimination of duplicate services and facilities, and a substantial increase in transfers of provincial funds, deny any recommendation other than amalgamation of the area.

APPENDIX NO. 1

RECOMMENDATIONS TOWARDS SHARED SERVICES

SHARED SERVICES
AVENUE FOR INCREASED CO-OPERATION

SERVICE	WITHOUT AMALGAMATION			ONLY POSSIBLE THROUGH AMALGAMATION
	BULK PURCHASING THROUGH COMBINED TENDER CALL	OPERATED BY KENORA AND CONTRACTED TO KEEWATIN AND JAFFRAY-MELICK	BEST OPERATED BY TRI-MUNICIPAL COMMISSION	
1. <u>General Administration</u>				
- Clerk's Office				•
- Treasurer's Office				•
- Accounting, Bookkeeping & Audit				•
- Utilities & Tax Invoices		•		
- Permits & Licences			•	
2. Fire Protection				•
3. Police Services				•
4. <u>By-Law Enforcement</u>				•
- Parking, Miscellaneous		•		
- Animal Control		•		
- Animal Pound		•		
- Building Inspection		•		
5. Engineering Department		•		
6. <u>Roads & Sidewalks</u>			•	
- Sweeping, Flushing		•		
- Snow Removal			•	
- Normal Maintenance			•	
- Resurfacing	•			
- New Construction	•			
7. <u>Street Lighting</u>			•	
8. Parking				•
9. <u>Utilities</u>				
- Sewer & Water - Treatment Plants			•	
- Complex Maintenance		•		
- Routine Maintenance			•	
- New Construction	•			
10. <u>Solid Waste</u>				
- Landfill			•	
- Collection		•		
11. Telephone Systems		•		
12. Hydro-electric System			•	
13. Cemetery			•	
14. Vehicle Maintenance			•	
15. Welfare Assistance			•	
16. Day Care Centres		•		
17. <u>Parks & Recreation</u>				
- Facilities				•
- Programs				•
18. Libraries			• Union Library Board	
19. Museum				•
20. <u>Planning</u>				
- Planning Board			• Tri-Municipal Planning Board	
- Committee of Adjustment				•
21. Industrial-Commercial Development			• Tri-Municipal Development Commission	
22. Tourism Promotion			•	

OPPORTUNITIES FOR
SHARED SERVICES
PLATE NO. 4

SUMMARY OF RECOMMENDATIONS

RECOMMENDATION NO. 1

THE KEEWATIN MUNICIPAL BOUNDARY SHOULD BE EXTENDED TO INCLUDE THE MCKENZIE PORTAGE ROAD AREA AS SHOWN ON PLATE NO. 2.

RECOMMENDATION NO. 2

THAT IN THE ABSENCE OF AMALGAMATION OF JAFFRAY-MELICK WITH KENORA, DETAILED STUDIES BE CARRIED OUT TO DETERMINE THE IMPACT OF ANNEXING THE AREA DESCRIBED IN KENORA BY-LAW 1949 TO KENORA AS SHOWN IN PLATE NO. 3.

RECOMMENDATION NO. 3

CAPITAL COSTS FOR SHARED SERVICES SHOULD BE DISTRIBUTED ON THE BASIS OF EQUALIZED ASSESSMENT. OPERATING COSTS SHOULD BE DISTRIBUTED ON A USER-PAY BASIS.

RECOMMENDATION NO. 4

PRELIMINARY COST ESTIMATES SHOULD BE PREPARED IN CONSIDERABLE DETAIL TO REDUCE THE POSSIBILITY OF MAJOR COST OVER-RUNS WHICH COULD BREAK DOWN INTER-MUNICIPAL AGREEMENTS.

RECOMMENDATION NO. 5

THE MUNICIPALITY DELIVERING THE SHARED SERVICE SHOULD INCLUDE A PRE-DETERMINED MARK-UP FOR ITS ADDITIONAL ADMINISTRATIVE BURDEN WHEN CALCULATING THE TOTAL OPERATING COSTS.

RECOMMENDATION NO. 6

INTER-MUNICIPAL AGREEMENTS SHOULD BE THE PRODUCT OF CONSIDERABLE PREPARATION INVOLVING THE SOLICITORS FOR THE AFFECTED MUNICIPALITIES. ADEQUATE PROTECTION AND PROVISIONS FOR ARBITRATION, CANCELLATION, AND STANDARDS OF PERFORMANCE SHOULD BE INCORPORATED TOGETHER WITH PROVISIONS FOR PROCEDURES FOR WINDING UP OPERATIONS AND FUTURE EXPANSIONS.

RECOMMENDATION NO. 7

IN THE ABSENCE OF AMALGAMATION, THAT A TRI-MUNICIPAL SERVICE COMMISSION WITH ELECTED REPRESENTATIVES AND A SEPARATE ADMINISTRATION BE ESTABLISHED TO DELIVER SERVICES ON AN AREA-WIDE BASIS.

RECOMMENDATION NO. 8

IN THE EVENT OF AMALGAMATION, CONTROLS ON SPENDING SHOULD BE ESTABLISHED. THIS CAN BE ACCOMPLISHED BY THE IDENTIFICATION AND PRIORITIZATION OF NEEDS ON AN AREA-WIDE BASIS AND IN SETTING FIRM BUDGETARY GUIDELINES. A GREATER USE OF THE LOCAL IMPROVEMENT PROCESS WITH APPROPRIATE CHARGES TO BENEFITING PROPERTIES IS RECOMMENDED TO KEEP PUBLIC DEMANDS FOR IMPROVEMENTS IN PERSPECTIVE.

RECOMMENDATION NO. 9

WITH THE EXCEPTION OF EXTENSION OF THE PRESENT MUNICIPAL BOUNDARY OF KEEWATIN TO INCLUDE THE MCKENZIE LOCAL ROADS AREA, THERE SHOULD BE NO FURTHER EXTENSION OF MUNICIPAL BOUNDARIES INTO THE UNORGANIZED TOWNSHIPS.

RECOMMENDATION NO. 10

NO CONSIDERATION SHOULD BE GIVEN TO A TWO-TIERED FORM OF REGIONAL GOVERNMENT FOR THE TRI-MUNICIPAL AREA.

RECOMMENDATION NO. 11

EXCEPT WHERE CONFIDENTIALITY IS ESSENTIAL, ALL COMMITTEE MEETINGS SHOULD BE OPEN TO THE PUBLIC.

RECOMMENDATION NO. 12

BACKGROUND INFORMATION SHOULD BE PREPARED BY AN AGENDA COMMITTEE AND ADMINISTRATION AND BE ACCESSIBLE TO THE PUBLIC PRIOR TO COMMITTEE MEETINGS. THE INFORMATION PACKAGE SHOULD INDICATE ALTERNATE SOLUTIONS AND A RECOMMENDED COURSE OF ACTION.

RECOMMENDATION NO. 13

MEETINGS OF SPECIAL PURPOSE BODIES SHOULD BE OPEN TO THE PUBLIC EXCEPT WHERE CONFIDENTIALITY IS ESSENTIAL. BETTER COMMUNICATION BY SPECIAL BODIES TO COUNCILS AND TO THE PUBLIC SHOULD BE PROVIDED ON A REGULAR BASIS.

RECOMMENDATION NO. 14

THE ROLE PLAYED BY SPECIAL PURPOSE BODIES SHOULD BE RE-EXAMINED ON AN INDIVIDUAL BASIS. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE BEST ROLE FOR EACH BOARD TO PLAY I.E., AS AN OPERATING BOARD OR AS AN ADVISORY BOARD TO MUNICIPAL ADMINISTRATORS.

RECOMMENDATION NO. 15

OPENINGS FOR RE-APPOINTMENTS TO PUBLIC BOARDS SHOULD BE PUBLICLY ADVERTISED WITH AN ADEQUATE DESCRIPTION OF THE NATURE OF EACH BOARDS ACTIVITIES.

RECOMMENDATION NO. 16

CONSIDERATION SHOULD BE GIVEN TO PROVIDING SPECIAL TRAINING COURSES LOCALLY ON A TRI-MUNICIPAL BASIS, VIDEO TAPING OF SPECIAL TRAINING PROGRAMS OR BRINGING IN SPECIAL INSTRUCTORS IS RECOMMENDED, PARTICULARLY IN THE CASE OF MANAGEMENT TRAINING COURSES.

RECOMMENDATION NO. 17

A DETAILED ANALYSIS SHOULD BE MADE TO DETERMINE THE MOST COST EFFICIENT MANNER TO PROVIDE MODERN COMPUTING, INVOICING, ACCOUNTING AND MANAGEMENT INFORMATION SERVICES ON AN AREA-WIDE BASIS.

RECOMMENDATION NO. 18

STANDARDIZATION OF MATERIALS SPECIFICATIONS ON AN AREA-WIDE BASIS SHOULD BE IMPLEMENTED AND BULK PURCHASES OF MATERIALS AND SERVICES CONSIDERED IN AN ONGOING PROCESS. OPPORTUNITIES FOR THE SHARING OF SPECIALIZATION EQUIPMENT SHOULD BE IDENTIFIED AND OPERATING PROCEDURE ADJUSTED AS NECESSARY TO TAKE ADVANTAGE OF THESE SITUATIONS.

RECOMMENDATION NO. 19

DECISIONS REGARDING CENTRALIZED ACCOUNTING, BOOKKEEPING, TAX AND UTILITY INVOICING OR OTHER ADMINISTRATIVE FUNCTIONS SHOULD BE GIVEN A HIGH PRIORITY IF THEY HAVE ANY IMPACT ON THE SPACE REQUIREMENTS IN THE PROPOSED KENORA TOWN HALL COMPLEX.

RECOMMENDATION NO. 20

FIRE DEPARTMENTS SHOULD OPERATE PERSONNEL TRAINING AND PUBLIC EDUCATION PROGRAMS ON A TRI-MUNICIPAL BASIS.

RECOMMENDATION NO. 21

ISSUANCE OF LICENCES, COLLECTION OF FINES, ANIMAL CONTROL AND POUND OPERATIONS AND BY-LAW ENFORCEMENT ACTIVITIES SHOULD BE SEPARATED FROM POLICE DEPARTMENT OPERATIONS. A HIGH PRIORITY SHOULD BE GIVEN TO THE CONSTRUCTION OF A NEW POLICE HEADQUARTERS.

RECOMMENDATION NO. 22

PROVINCIAL ASSISTANCE TOWARDS KENORA'S POLICE DEPARTMENT SHOULD BE INCREASED RECOGNIZING THE UNIQUE PROBLEMS OF LAW ENFORCEMENT FACED BY A SMALL COMMUNITY WITH LIMITED RESOURCES.

RECOMMENDATION NO. 23

A MAYOR'S COMMITTEE ON ALCOHOL ABUSE SHOULD BE ESTABLISHED BY THE TOWN OF KENORA. SPECIAL FUNDING SHOULD BE PROVIDED BY THE PROVINCE TO PROVIDE FOR A FULL-TIME ADMINISTRATOR AND FOR IMPLEMENTATION OF PROGRAMS DEVELOPED BY THE COMMITTEE. EFFECTIVE REPRESENTATION FROM LOCAL INDIAN BAND COUNCILS IS VITAL TO THE SUCCESS OF THIS COMMITTEE.

RECOMMENDATION NO. 24

WHERE THE ONTARIO PROVINCIAL POLICE PROVIDE POLICE PROTECTION, STATISTICAL DATA ON COSTS, ACTIVITY, INCIDENCE OF CRIME, PROSECUTIONS, CONVICTIONS, ETC. SHOULD BE MAINTAINED AND REPORTED ANNUALLY TO EACH MUNICIPAL COUNCIL.

RECOMMENDATION NO. 25

SPECIAL EFFORTS TO RECRUIT AND TRAIN ADDITIONAL INDIAN POLICE OFFICERS BOTH FOR THE KENORA AND PROVINCIAL POLICE SHOULD BE CONTINUED. BOTH DEPARTMENTS SHOULD MAINTAIN SENIOR PERSONNEL FLUENT IN THE OJIBWAY LANGUAGE AND ABLE TO COMMUNICATE EFFECTIVELY WITH THE INDIAN BANDS IN THE AREA.

RECOMMENDATION NO. 26

SPECIAL AWARENESS AND EDUCATIONAL PROGRAMS RELATED TO ALCOHOL ABUSE AND THE AREA'S SOCIAL PROBLEMS SHOULD BE IMPLEMENTED IN THE SCHOOLS, ON THE RESERVES, AND TO THE PUBLIC AT LARGE.

RECOMMENDATION NO. 27

SPECIAL FUNDING SHOULD BE PROVIDED TO REHABILITATION ORGANIZATIONS, FROM ALL THREE LEVELS OF GOVERNMENT WITH PARTICULAR ATTENTION GIVEN TO THE PROBLEM OF ALCOHOL ABUSE.

RECOMMENDATION NO. 28

THE KENORA POLICE COMMISSION AND ONTARIO PROVINCIAL POLICE SHOULD HOLD PERIODIC PUBLIC MEETINGS TO REVIEW POLICE POLICIES AND PROGRAMS AND TO PERMIT PUBLIC INTERACTION. SUCH MEETINGS WOULD BE AN EXCELLENT VEHICLE FOR THE PRESENTATION OF AN ANNUAL REPORT OUTLINING KEY RESULT AREAS WITH A SEPARATE MEETING TO PRESENT THE ANNUAL BUDGET AND PROGRAM FOR THE COMING YEAR.

RECOMMENDATION NO. 29

PARKING REGULATIONS, FACILITIES AND BY-LAWS SHOULD CONTINUE TO BE ADMINISTERED BY EACH MUNICIPALITY SEPARATELY. OTHER BY-LAWS COULD BE EFFECTIVELY ADMINISTERED BY A TRI-MUNICIPAL COMMISSION. IF ONE IS ESTABLISHED,

RECOMMENDATION NO. 30

BY-LAW ENFORCEMENT OFFICERS SHOULD BE SWORN IN AS SPECIAL CONSTABLES TO PERMIT THEM TO ISSUE SUMMONSES RELATED TO MUNICIPAL BY-LAWS.

RECOMMENDATION NO. 31

CONSIDERATION SHOULD BE GIVEN TO CONTRACTING WITH THE ONTARIO HUMANE SOCIETY TO PROVIDE ANIMAL CONTROL, PET LICENCING AND POUND OPERATION SERVICES.

RECOMMENDATION NO. 32

ROUTINE ROAD MAINTENANCE COULD BE DELIVERED ON AN AREA-WIDE BASIS. KENORA'S PRESENT SWEEPING, FLUSHING, AND OTHER MAINTENANCE EQUIPMENT WOULD BE ADEQUATE FOR AREA-WIDE SERVICE. IN A CO-ORDINATED PROGRAM, THE ANNUAL MAINTENANCE OF GRAVELLED ROADS AND SNOW REMOVAL OPERATIONS COULD BE CARRIED OUT MORE EFFICIENTLY. IN THE ABSENCE OF AMALGAMATION, THIS SERVICE COULD BE PROVIDED BY A TRI-MUNICIPAL PUBLIC UTILITIES COMMISSION.

RECOMMENDATION NO. 33

ENGINEERING SERVICES COULD BE DELIVERED ON AN AREA-WIDE BASIS. THIS WOULD ALSO PERMIT CO-ORDINATION OF TENDER CALLS FOR NEW CONSTRUCTION, RE-SURFACING PROJECTS, AND THE SUPPLY OF VARIOUS MATERIALS THROUGH A CENTRAL PURCHASING STRUCTURE. IN THE ABSENCE OF AMALGAMATION, THIS SERVICE SHOULD BE PROVIDED BY A TRI-MUNICIPAL COMMISSION.

RECOMMENDATION NO. 34

IN THE ABSENCE OF AMALGAMATION, THE MAINTENANCE OF EQUIPMENT AND VEHICLES SHOULD BE PROVIDED BY A TRI-MUNICIPAL COMMISSION CHARGING FOR ITS SERVICES ON A USER-PAY BASIS.

RECOMMENDATION NO. 35

A TRI-MUNICIPAL SOURCE FOR THE SUPPLY OF MINERAL AGGREGATES SHOULD BE DEVELOPED. THIS FACILITY COULD BE EFFECTIVELY OPERATED BY ONE MUNICIPALITY AND CONTRACTED OUT TO OTHERS.

RECOMMENDATION NO. 36

SUBDIVISION AGREEMENTS SHOULD DEMAND THE MINIMUM ROAD STANDARDS TO SATISFY MTC REQUIREMENTS FOR FUTURE SUBSIDIES. STANDARDIZATION BETWEEN THE THREE MUNICIPALITIES IS DESIRABLE, WHILE STILL RECOGNIZING VARIATIONS BETWEEN RURAL, URBAN AND DOWNTOWN AREAS.

RECOMMENDATION NO. 37

IN THE ABSENCE OF ANY TRI-MUNICIPAL COMMISSION OR AMALGAMATION OF THE THREE MUNICIPALITIES, THERE ARE A NUMBER OF SERVICES WHICH COULD BE PROVIDED BY KENORA TO THE OTHER MUNICIPALITIES TO THEIR MUTUAL ADVANTAGE:

- STREET SWEEPING AND FLUSHING
- GRADER RENTAL DURING SPRING MAINTENANCE
- CONSOLIDATED TENDER CALLS FOR PAVING AND VARIOUS MATERIALS

RECOMMENDATION NO. 38

LOCAL ROADS BOARDS SHOULD REMAIN AS THE STRUCTURE FOR ADMINISTRATION OF ROADS NEEDS IN THE RURAL AREAS EXCEPT WHERE CONTINUED DEVELOPMENT GENERATES THE NEEDS FOR A BROADER RANGE OF URBAN SERVICES, OR WHERE THIS DEVELOPMENT REPRESENTS A LOGICAL EXTENSION OF AN EXISTING ORGANIZED MUNICIPALITY.

RECOMMENDATION NO. 39

SHOULD OPERATING SUBSIDIES BECOME NECESSARY FOR THE EXCEL COACH LINES, THIS MATTER SHOULD BE ADMINISTERED BY A TRI-MUNICIPAL COMMISSION IN THE ABSENCE OF AMALGAMATION.

RECOMMENDATION NO. 40

AN OVERALL PARKING ASSESSMENT SHOULD BE CARRIED OUT AND A PROGRAM ESTABLISHED TO SATISFY THE NEEDS OF THE KENORA DOWNTOWN AREA. INCLUDED IN THIS ASSESSMENT SHOULD BE DOCKAGE FACILITIES FOR SUMMER RESIDENTS SHOPPING IN THE DOWNTOWN, AND FOR PARKING FOR CARS AND BOAT TRAILERS FOR INDIVIDUALS VISTING CONEY ISLAND OR BOATING ON LAKE OF THE WOODS.

RECOMMENDATION NO. 41

AT THE PRESENT TIME, OPERATION OF THE SEWAGE PUMPING STATIONS IN ALL THREE MUNICIPALITIES IS BEST CARRIED OUT BY KENORA'S SPECIAL SERVICE CREW. THIS WOULD ELIMINATE THE NEED FOR DUPLICATION AND ENSURE ECONOMIC AND RELIABLE MAINTENANCE OF THESE EXPENSIVE COMPONENTS. PIPELINE MAINTENANCE CAN BE CARRIED OUT BY PUBLIC WORKS CREWS FOLLOWING ADDITIONAL TRAINING. SPECIAL SERVICES SUCH AS CLEANING, FLUSHING AND TAPPING AND UTILITIES INVOICING CAN BE CONTRACTED FROM KENORA.

RECOMMENDATION NO. 42

IN THE ABSENCE OF AMALGAMATION, THE SEWER AND WATER SYSTEM SHOULD BE OPERATED BY AN AREA-WIDE PUBLIC UTILITIES COMMISSION. OPERATING COSTS SHOULD BE WHOLLY RECOVERED FROM USER CHARGES.

RECOMMENDATION NO. 43

THE TERMS OF REFERENCE OF THE TRI-MUNICIPAL SEWER AND WATER AUTHORITY SHOULD BE EXPANDED TO ALSO INCLUDE THE CEMETERY AND TRI-MUNICIPAL LANDFILL, BY HAVING THE SAME COMMITTEE REVIEW ALL TRI-MUNICIPAL SERVICES OPERATED BY A SINGLE MUNICIPALITY, SKILLS WILL BE DEVELOPED IN ARRIVING AT MUTUALLY ACCEPTABLE COMPROMISES IN COST-SHARING AND CO-OPERATION, THE AUTHORITY SHOULD INCLUDE THE CHIEF ADMINISTRATIVE OFFICERS OF EACH MUNICIPALITY TO ENSURE CONTINUITY.

RECOMMENDATION NO. 44

SUBDIVISION AGREEMENTS SHOULD PROVIDE FOR ROAD DRAINAGE TO BE CONSTRUCTED TO A STANDARD ACCEPTABLE TO THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS FOR FUTURE MAINTENANCE AND CONSTRUCTION SUBSIDIES.

RECOMMENDATION NO. 45

THE MINISTRY OF THE ENVIRONMENT SHOULD RECONSIDER ITS REGULATIONS AFFECTING THE CONSTRUCTION OF STORM SEWERS IN COMMON TRENCH WITH WATERMAINS IN HIGH COST AREAS. NO RESTRICTIONS SHOULD APPLY TO THE LOCATION OF STORM SEWERS.

RECOMMENDATION NO. 46

COSTS RELATED TO THE OPERATION OF THE LANDFILL SHOULD BE SHARED ON THE BASIS OF RELATIVE VOLUMES OF SOLID WASTE DELIVERED BY EACH MUNICIPALITY.

RECOMMENDATION NO. 47

THE PROVINCE OF ONTARIO SHOULD CONTRIBUTE A SHARE OF THE COST OF OPERATING THE TRI-MUNICIPAL LANDFILL IN PROPORTION TO SOLID WASTE VOLUMES DELIVERED BY RESIDENTS OF THE UN-ORGANIZED AREA. PROVINCIAL DUMPS IN THE IMMEDIATE VICINITY CAN THEN BE CLOSED.

RECOMMENDATION NO. 48

IN THE ABSENCE OF AMALGAMATION, KEEWATIN SHOULD CONTRACT WITH KENORA FOR THE COLLECTION OF SOLID WASTE BY KENORA CREWS. THIS WOULD REALIZE SUBSTANTIAL SAVINGS FOR BOTH MUNICIPALITIES.

RECOMMENDATION NO. 49

RURAL RESIDENTS OF JAFFRAY-MELICK SHOULD BE CANVASSED TO DETERMINE THE ACCEPTABILITY OF REDUCED GARBAGE COLLECTION SERVICES, COMBINED WITH A TAX CREDIT. IF ATTRACTIVE, CONSIDERATION COULD THEN BE GIVEN TO CONTRACTING WITH KENORA FOR THE COLLECTION OF SOLID WASTE FROM THE TOWNSHIP'S URBANIZED AREA.

RECOMMENDATION NO. 50

OPERATING PROCEDURES INCLUDING COMPACTION AND CONTROLLED BURNING SHOULD BE CONSIDERED AT THE NEW LANDFILL TO MAXIMIZE ITS USEFUL LIFETIME.

RECOMMENDATION NO. 54

THE PROVINCE SHOULD RE-ASSESS THE MANNER IN WHICH MUNICIPAL UTILITIES ARE MONITORED. A SIMPLER YET EQUALLY EFFECTIVE PROCESS MIGHT BE TO ISSUE DETAILED GUIDELINES TO BE FOLLOWED BY MUNICIPAL AUDITORS AND UTILITY OPERATORS.

RECOMMENDATION NO. 55

DISTRIBUTION OF HEALTH UNIT COSTS SHOULD BE SHARED ON THE BASIS OF EQUALIZED ASSESSMENT BETWEEN PARTICIPATING MUNICIPALITIES.

RECOMMENDATION NO. 56

THE PRACTICE OF ELECTING MEMBERS TO THE HOSPITAL BOARD DURING MUNICIPAL ELECTIONS SHOULD BE DISCONTINUED THROUGH AN AMENDMENT TO THE LEGISLATION GOVERNING THE HOSPITAL. PUBLIC SCRUTINY CAN BE EQUALLY WELL PROVIDED BY AN APPOINTED BOARD.

RECOMMENDATION NO. 57

THE FEDERAL-PROVINCIAL REVIEW SHOULD BE MADE OF THE COST AND OPERATION OF THE DETOXIFICATION CENTRE AND THE AMBULANCE SERVICE. A DETERMINATION SHOULD BE MADE OF THE IMPACT AND COST OF PROVIDING SERVICE TO STATUS INDIANS.

RECOMMENDATION NO. 58

INTER-MUNICIPAL AGREEMENTS FOR COST SHARING OF CAPITAL WORKS SHOULD ANTICIPATE THE PROBLEMS OF SUBSTANTIAL COST OVER-RUNS. BINDING ARBITRATION SHOULD BE INCORPORATED IN THE AGREEMENTS TO RESOLVE SERIOUS DISPUTES.

RECOMMENDATION NO. 59

THE DISTRICT HEALTH COUNCIL, IN CONJUNCTION WITH THE AREA MUNICIPALITIES SHOULD REVIEW THE ONTARIO ADDICTION RESEARCH FOUNDATION REPORT IN DETAIL TO DETERMINE THE FEASIBILITY OF IMPLEMENTATION OF ITS MAJOR RECOMMENDATIONS. AT THE SAME TIME, THE VALIDITY OF FUTURE OPERATION OF THE DETOXIFICATION CENTRE SHOULD BE DETERMINED.

RECOMMENDATION NO. 60

UNDER THE PRESENT STRUCTURE, SELECTION OF A NEW SITE FOR A CEMETERY, SCRUTINY OF BUDGETS AND COST APPORTIONMENTS SHOULD BE DELEGATED TO THE TRI-MUNICIPAL SEWER & WATER AUTHORITY. OPERATION OF THE NEW FACILITY SHOULD BE THE RESPONSIBILITY OF THE MUNICIPALITY WITHIN WHOSE BOUNDARY IT IS LOCATED.

RECOMMENDATION NO. 61

IN THE ABSENCE OF AMALGAMATION, CEMETERY OPERATION SHOULD BE THE RESPONSIBILITY OF A TRI-MUNICIPAL UTILITIES COMMISSION.

RECOMMENDATION NO. 62

IN THE ABSENCE OF AMALGAMATION, WELFARE SHOULD BE ADMINISTERED BY A TRI-MUNICIPAL SERVICES COMMISSION. THE LOCAL SHARE OF WELFARE ASSISTANCE WOULD BE CHARGED TO EACH MUNICIPALITY AND THE NET ADMINISTRATIVE COST (AFTER THE PROVINCE'S 50% SUBSIDY) WOULD BE SHARED ON THE BASIS OF THE RATIO OF WELFARE ASSISTANCE PAYMENTS PROCESSED.

RECOMMENDATION NO. 63

THE PROVINCE SHOULD DISCONTINUE THE PRACTICE OF CHARGING MUNICIPALITIES FOR A PORTION OF THE OPERATING COSTS OF HOMES FOR THE AGED. OPERATIONS ARE ALMOST ENTIRELY REGULATED BY THE PROVINCE WITH LITTLE INPUT PROVIDED BY OR REQUESTED FROM THE MUNICIPALITIES.

RECOMMENDATION NO. 64

COST SHARING BETWEEN MUNICIPALITIES FOR CHILDREN'S AID SOCIETY COSTS SHOULD BE BASED ON THE RATIO OF EQUALIZED ASSESSMENT, THE SAME METHOD WHICH THE MUNICIPALITIES MUST USE TO RECOVER THESE COSTS.

RECOMMENDATION NO. 65

THE PROVINCE SHOULD CONTRIBUTE A PORTION OF THE COST OF DAY CARE CENTRES ON BEHALF OF RESIDENTS OF UNORGANIZED AREAS, TO THE SAME EXTENT AS A MUNICIPALITY PARTICIPATING THROUGH A PURCHASE OF SERVICE AGREEMENT.

RECOMMENDATION NO. 66

CHILDREN'S SERVICES SHOULD BE CO-ORDINATED ON A TRI-MUNICIPAL BASIS WITH PERHAPS DELIVERY OF SERVICES TO RESIDENTS OF THE UNORGANIZED AREA THROUGH A CONTRACT WITH THE PROVINCE.

RECOMMENDATION NO. 67

IN THE PROCESS OF DETERMINING THE MANNER IN WHICH CHILDREN'S SERVICES WILL BE DELIVERED BY THE PROVINCE, CONSIDERATION SHOULD BE GIVEN TO AT LEAST PARTIAL INTEGRATION WITH THE EDUCATIONAL SYSTEM.

RECOMMENDATION NO. 68

THE TOWN OF KEEWATIN SHOULD EITHER AMEND BY-LAW NO. 750 OR ESTABLISH ITS PARKS AND RECREATION COMMITTEE IN ACCORDANCE WITH IT.

RECOMMENDATION NO. 69

KENORA SHOULD RESTRUCTURE ITS ADMINISTRATION OF PARKS AND RECREATION:

- A FULL TIME RECREATION DIRECTOR SHOULD BE EMPLOYED TO IDENTIFY KENORA'S NEEDS, DEVELOP PROGRAMS AND ENCOURAGE VOLUNTEER SUPPORT.
- THE KENORA RECREATION CENTRE SHOULD BE ADMINISTERED BY A MUNICIPAL DEPARTMENT, AS RECOMMENDED BY THE KENORA MANAGEMENT STUDY.
- A PUBLIC ADVISORY BOARD SHOULD BE ESTABLISHED, CONSISTING OF INDIVIDUALS REPRESENTING VARIOUS SPORTS, INTERESTS, COMMUNITY ORGANIZATIONS AND THE SCHOOL BOARDS. THIS BOARD WOULD PERIODICALLY APPRAISE THE DELIVERY OF SERVICES TO ASSIST THE RECREATION DIRECTOR IN DETERMINING AREA NEEDS.

RECOMMENDATION NO. 70

IN THE ABSENCE OF AMALGAMATION, CONSIDERATION SHOULD BE GIVEN TO EXPANDING THE MANDATE OF THE SCHOOL BOARD TO PROVIDE AND OPERATE REGIONAL SPORTS, RECREATIONAL AND CULTURAL PROGRAMS AND FACILITIES.

RECOMMENDATION NO. 71

THAT A UNION LIBRARY BOARD BE ESTABLISHED SERVING THE SAME AREA AS THE KENORA BOARD OF EDUCATION. RECOGNIZING THE SERVICE PROVIDED TO THE UNORGANIZED AREAS, SPECIAL FUNDING SHOULD BE PROVIDED BY THE PROVINCE ON A PER CAPITA BASIS FOR THESE RESIDENTS.

RECOMMENDATION NO. 72

IN ITS ROLE OF UPGRADING THE CULTURAL AMENITIES OF THE REGION, THE MINISTRY OF NORTHERN AFFAIRS SHOULD BE REQUESTED TO CONSIDER SPECIAL AID TO UPGRADE LIBRARY FACILITIES IN THE AREA. ADDITIONAL GRANTS ARE JUSTIFIED, RELATED TO THE UNION BOARD'S FUNCTION AS A REGIONAL RESOURCE LIBRARY.

RECOMMENDATION NO. 73

IN THE ABSENCE OF AMALGAMATION, JAFFRAY-MELICK SHOULD PARTICIPATE IN THE COST OF THE KENORA LIBRARY PARTLY BY INCREASED MEMBERSHIP FEES PAID DIRECTLY BY TOWNSHIP MEMBERS AND PARTLY BY A MUNICIPAL GRANT. THE GRANT SHOULD BE CALCULATED BY A FORMULA BASED ON THE PERCENTAGE OF TOTAL LIBRARY MEMBERSHIPS HELD BY TOWNSHIP RESIDENTS AND THE RELATIVE EQUALIZED ASSESSMENT OF THE TOWNSHIP COMPARED WITH KENORA.

RECOMMENDATION NO. 74

THE PROVINCE OF ONTARIO, PERHAPS THROUGH THE MINISTRY OF NORTHERN AFFAIRS, SHOULD CONSIDER A DIFFERENTIAL IN THE PER CAPITA LIBRARY GRANT FOR NORTHERN ONTARIO PUBLIC LIBRARY BOARDS.

RECOMMENDATION NO. 75

A TRI-MUNICIPAL COMMITTEE SHOULD BE ESTABLISHED TOGETHER WITH THE MINISTRY OF CULTURE AND RECREATION, TO CONSIDER:

- THE MANNER IN WHICH THE MUSEUM MEETS THE AREA-WIDE REQUIREMENTS
- WHETHER TRI-MUNICIPAL SUPPORT AND REPRESENTATION ON THE BOARD IS JUSTIFIED,
- THE ESTABLISHMENT OF A LOCAL ARCHITECTURAL CONSERVATION ADVISORY COMMITTEE, UNDER SECTION 28 OF THE ONTARIO HERITAGE ACT. THE COMMITTEE WOULD BEST BE STRUCTURED ON A TRI-MUNICIPAL BASIS.

RECOMMENDATION NO. 76

A JOINT COMMITTEE OF THE MUSEUM BOARD, LIBRARY BOARD, COUNCIL AND ADMINISTRATION SHOULD BE ESTABLISHED TO DETERMINE THE MOST EFFICIENT MANNER OF SATISFYING THE PHYSICAL NEEDS OF THE LIBRARY AND MUSEUM.

RECOMMENDATION NO. 77

THE PROVINCE SHOULD REVIEW ITS POLICIES WITH RESPECT TO PLANNING ASSISTANCE TO MUNICIPALITIES'. REINFORCEMENT OF THE PROFESSIONAL CAPABILITIES OF LOCAL MUNICIPALITIES, AND CONTINUITY IN THE USE OF PROFESSIONAL ADVISORS SHOULD BE GIVEN A HIGH PRIORITY.

RECOMMENDATION NO. 78

A STANDARD SUBDIVISION AGREEMENT SHOULD BE IMPLEMENTED BY ALL THREE MUNICIPALITIES, PREFERABLY ON AN AREA-WIDE BASIS. MINIMUM STANDARDS SHOULD BE THE SAME FOR ALL THREE MUNICIPALITIES, WHILE STILL RECOGNIZING DIFFERENCES BETWEEN URBAN AND RURAL SITUATIONS.

RECOMMENDATION NO. 79

IMPROVED INSPECTION PROCEDURES SHOULD BE IMPLEMENTED TO ENSURE ADEQUATE STANDARDS OF CONSTRUCTION ARE MAINTAINED. THE COST OF THESE INSPECTIONS SHOULD BE RECOVERED FROM THE DEVELOPER OF THE SUBDIVISION.

RECOMMENDATION NO. 80

IN THE ABSENCE OF AMALGAMATION, THE TRI-MUNICIPAL SERVICES COMMISSION SHOULD RETAIN AN INDUSTRIAL DEVELOPMENT OFFICER. THE COMMISSION SHOULD ALSO BE CHARGED WITH THE DEVELOPING OF SUITABLE SITES FOR NEW INDUSTRIAL AND COMMERCIAL DEVELOPMENT.

RECOMMENDATION NO. 81

BUILDING AND PLUMBING INSPECTIONS AND ENFORCEMENT OF PROPERTY STANDARDS BY-LAWS SHOULD BE ADMINISTERED ON A TRI-MUNICIPAL BASIS. THIS SERVICE SHOULD ALSO BE EXTENDED TO THE UNORGANIZED AREAS UNDER CONTRACT TO THE PROVINCE.

RECOMMENDATION NO. 51

IN THE ABSENCE OF AMALGAMATION, KENORA SHOULD OPERATE THE KEEWATIN TELEPHONE SYSTEM INCLUDING THE ISSUANCE OF MONTHLY INVOICES UNDER A CONTRACT WITH KEEWATIN. OWNERSHIP, AUTHORITY FOR RATES AND FISCAL RESPONSIBILITY FOR THE KEEWATIN SYSTEM WOULD REMAIN WITH KEEWATIN.

RECOMMENDATION NO. 52

THE PROVINCE OF ONTARIO SHOULD REVIEW THE PUBLIC UTILITIES ACT AND POWER CORPORATIONS ACT WITH A VIEW TO REDUCING THE EXTENT TO WHICH AUDITING OF LOCAL UTILITIES BY ONTARIO HYDRO IS NECESSARY.

RECOMMENDATION NO. 53

THE TOWN OF KENORA SHOULD REQUEST THE ONTARIO GOVERNMENT TO ENACT SPECIFIC LEGISLATION TO PERMIT OPERATION OF ITS ELECTRICAL UTILITY AS A MUNICIPAL DEPARTMENT OF THE TOWN. THE DEPARTMENT WOULD ALSO OPERATE THE TELEPHONE UTILITY AND BY CONTRACT PROVIDE BOTH SERVICES TO KEEWATIN RESIDENTS.

APPENDIX NO. 2

FINANCIAL IMPLICATIONS OF AMALGAMATION

1. CHANGES IN PROVINCIAL GRANTS
2. MILL RATES FOR THE
AMALGAMATED MUNICIPALITY
3. DISTRIBUTION OF TAXES FOR
GENERAL MUNICIPAL EXPENDITURES

1. CHANGES IN PROVINCIAL GRANTS

a) SPECIFIC GRANTS

(i) Welfare Assistance and Administration

There are a number of welfare assistance programs; however, the Ministry of Community & Social Services essentially provides grants equal to 80% of welfare assistance and 50% of welfare administration costs (if there is a full-time welfare administrator). Keewatin and Jaffray-Melick presently receive no assistance for administrative costs as they do not employ full-time staff for this purpose. Provincial grants would increase slightly, as all administration would be eligible for a 50% grant for an amalgamated municipality. The increase would be quite small, however, and will not be included in my calculations.

(ii) Public Library Boards

The Ministry of Culture & Recreation provides a per capita grant for library services. Grants are now received for the populations of the three municipalities and certain surrounding areas. Since no change in this population will occur through amalgamation, there will be no change in this grant.

(iii) Museum, Community Centres, Recreation, Day Care Centres

Grants are provided by the Ministry of Culture & Recreation in these areas. No significant changes are created through amalgamation which would affect these grants.

(iv) Roads and Public Transit

The Ministry of Transportation and Communications provides a variety of grants towards the construction and maintenance of roads transportation studies and transit systems. Significant changes would occur in these grants through amalgamation:

- Most of Jaffray-Melick arterial roads are secondary highways (Highways 666, 598, 604, 659). All maintenance costs for these highways are presently borne entirely by the Province. The portions of Highway 666 and 604 presently located in Kenora are designated as connecting links and thus receive 90% subsidy for their construction and maintenance. With amalgamation, it is likely that Highways 659, 604, and 598 will become municipal roads. The portion of Highway 17 located in Jaffray-Melick would also become a connecting link.
- Highway 17 and 604 are in excellent condition except for the portion of 604 within Kenora, and normal maintenance costs would be experienced. Highways 598, 666 and 659 and the portion of 604 within Kenora are not constructed to secondary highway standards and should be upgraded to those standards before being transferred to the new municipality (Highway 666 as a connecting link).
- The portions of Highways 17 and 596 in Kenora and Keewatin are presently designated as connecting links. No change would be created for the Kenora portions however, the connecting link subsidies for Keewatin would drop from 100% to 90%. Highway 17 is in good condition; however, Highway 596 should be upgraded to secondary highway standards before construction subsidies are reduced to 90%.

For the purposes of this analysis, I have assumed that MTC's 1978 maintenance costs for Highway 604 (\$2,200 per kilometre) would be typical for roads constructed to secondary highway standards. On this basis, the added cost (which I will include as a reduction to Provincial grants) is as follows:

Highway	Length Km	Revised Status	Cost to Municipality	
			%	\$
666 (Jaffray-Melick)	14.5	Connecting Link	10%	\$ 3,200
659	18.7	Municipal Road	50%	\$20,600
604 (Jaffray-Melick)	8.8	Municipal Road	50%	\$ 9,700
598	4.3	Municipal Road	50%	\$ 4,800
17 (Jaffray-Melick)	8.6	Connecting Link	10%	\$ 1,900
17 (Keewatin)	3.6	Change in C.L. Subsidy	10%	\$ 800
17 (Keewatin)	3.6	Change in C.L. Subsidy	10%	\$ 800
		Administration		\$ 3,200
TOTAL	62.1			\$45,000

- Presently subsidies towards maintenance costs for most Township road works is 80%; with amalgamation this subsidy would drop to 50%. For the roads maintained by the Township in 1978, MTC subsidies totalled \$107,500; if subsidies were reduced to 50%, the effect would be to decrease Provincial grants by about \$40,000.

b) UNCONDITIONAL GRANTS

Several unconditional grants are transferred to municipalities by the Province:

(i) Resource Equalization Grant

This grant is designed to provide assistance to municipalities, with limited resources, to assist them to upgrade local services. It is dependent on the amount of taxes raised locally, and the relative equalized assessment available to the municipality as a tax base. In 1978, the total grant was \$375,255. As an amalgamated municipality, the grant would have been \$626,280, an increase of about \$251,000. This is due to the impact of the residential assessment of Keewatin and Jaffray-Melick which increases the grant rate to almost 15% (Kenora's present rate is less than 5%.)

(ii) Per Capita Grant

This grant is based on the population of municipalities and is somewhat larger per capita for larger populations. The rate structure applied by the Province generates an increase in per capita grants for the amalgamated municipality of approximately \$3,000.

(iii) General Support Grant and
Special Northern Support Grant

These total 24% of the taxes and other revenues and would not change through amalgamation.

G R A N T	CHANGE DUE TO AMALGAMATION
Welfare	--
Public Library Board	--
Museums	--
Day Care Centre	--
Recreation	--
Community Centres	--
Roads - Transfer of Provincial Highways to Municipality	(\$ 45,000)
- Reduced Subsidy for Township Roads	(\$ 40,000)
Resource Equalization Grant	+ \$251,000
Per Capita Grant	+ \$ 3,000
General Support Grant	--
Northern Support Grant	--
Police Grant (Net Effect)	--
NET INCREASE IN PROVINCIAL GRANTS	\$169,000

2. MILL RATES FOR THE AMALGAMATED MUNICIPALITY

In order to calculate the mill rate for any municipality, it is first necessary to convert residential-farm assessment and payments in lieu of taxes into equivalent commercial assessment. This is a simple procedure as there are assessment formulas for those properties generating payments in lieu of taxes and \$1,000 of residential assessment is, by law, equivalent to \$850 of industrial assessment.

Table No. 1 illustrates the calculation of equivalent assessment for the three municipalities and the amalgamated municipality for 1978:

TABLE NO. 1 1978 EQUALIZED ASSESSMENT (Figures in \$1,000)				
Item	Kenora	Keewatin	Jaffray-Melick	Amalgamated Municipality
1. Residential Assessment	40,764	5,185	11,293	57,242
2. 85% of Residential ie., Commercial Equivalent	34,649	4,407	9,599	48,655
3. Commercial Assessment	49,512	1,516	6,218	57,246
4. Commercial Assessment Equivalent to Payments In Lieu of Taxes	84,161	5,923	15,817	105,901
	7,208	425	3,892	11,525
TOTAL EQUIVALENT COMMERCIAL ASSESSMENT	91,369	6,348	19,709	117,426

From the figures in Table No. 1, we can determine the commercial mill rate (taxes per \$1,000 of assessment) necessary to generate each \$1,000 of taxes.

ie., In the case for Kenora in 1978, its total equivalent commercial assessment was \$91,369,000. For each \$1,000 of taxes to be raised, a commercial mill rate of

$$\frac{1,000}{91,369} = \underline{.0109} \text{ is necessary}$$

The residential mill rate is 85% of this figure or .0093. Table No. 2 illustrates the basis for Mill Rate calculations for each municipality and the amalgamated municipality:

TABLE NO. 2 1978 ANALYSIS MILL RATES TO RAISE EACH \$1,000 IN TOTAL TAXES				
Item	Kenora	Keewatin	Jaffray-Melick	Amalgamated Municipality
Residential Farm Rate	.0093	.1339	.043	.007239
Commercial Industrial Rate	.0109	.1575	.0507	.008516

Note: These mill rates apply only to equalized assessments.

It is now possible to calculate the tax distribution for 1978:

ie., For Kenora to raise \$1,000, the portions provided by the residential sector is as follows:

$$\begin{aligned} \text{Residential Taxes} &= \frac{\text{Residential Assessment}}{1,000} \times \text{Mill Rate for \$1,000} \\ &= 40,764 \text{ (Table No. 1)} \times .0093 \text{ (Table No. 2)} = \underline{\$380.00} \end{aligned}$$

The distribution of taxes for 1978 for all the municipalities is illustrated in the following Table No. 3.

TABLE NO. 3			
FOR EACH \$1,000 RAISED BY	RESIDENTIAL FARM SHARE	INDUSTRIAL COMMERCIAL SHARE	PAYMENT IN LIEU OF TAXES
Kenora	\$ 380	\$ 540	\$ 80
Keewatin	649	239	67
Jaffray-Melick	487	315	198
Amalgamated Municipality	\$ 414	\$ 488	\$ 98

3. DISTRIBUTION OF TAXES FOR 1978

NET GENERAL MUNICIPAL EXPENDITURES

Municipal expenditures can be divided into two areas:

- Expenditures for services which benefit the municipality as a whole (general administration, fire department, etc.)
- Expenditures which only benefit certain properties (sewer, water, street lighting, etc.)

These costs are easily identified in municipal financial statements as well as any revenues relating to them.

Special taxes applying to areas benefiting from sewers, water and street lighting will be deleted from the 1978 expenditures in order to determine the effect on general taxation through amalgamation.

It is assumed therefore that any special area changes in effect before amalgamation would not change because of amalgamation. Table No. 4 illustrates the calculation of net general municipal expenditures for 1978. The chart includes the revised Provincial grants as calculated in Section 1 of this Appendix (a net increase of \$169,000), in the case of the amalgamated municipality.

TABLE NO. 4
1978 ANALYSIS OF
OPERATING EXPENDITURES AND REVENUES
(All Figures in \$1,000)

Expenditures	Kenora	Keewatin	Jaffray-Melick	Total	Amalgamated Municipality
Total current revenue expenditures as per 1978 financial statements	\$5,312	772	458	6,542	
Less:					
(A) Street Lighting	(50)	(13)	--	(63)	
(B) Sanitary Sewers	(710)	(17)	--	(727)	
(C) Storm Sewers	(8)	(14)	--	(22)	
(D) Waterworks	(483)	(87)	(23)	(593)	
GENERAL EXPENDITURES	\$4,061	641	435	5,137	5,137
Less:					
(E) Miscellaneous Revenue	(1,362)	(239)	(21)	(1,622)	(1,622)
(F) Revenue for Sewer, Water, Street Lighting	77	--	--	77	77
(G) Ontario Grants	(1,667)	(317)	(283)	(2,267)	(2,436)
NET GENERAL EXPENDITURES TO BE RAISED BY LOCAL TAXES	\$1,109	\$ 85	\$131	\$1,325	\$1,156

The distribution of taxes is calculated as follows:

For the separated municipalities:

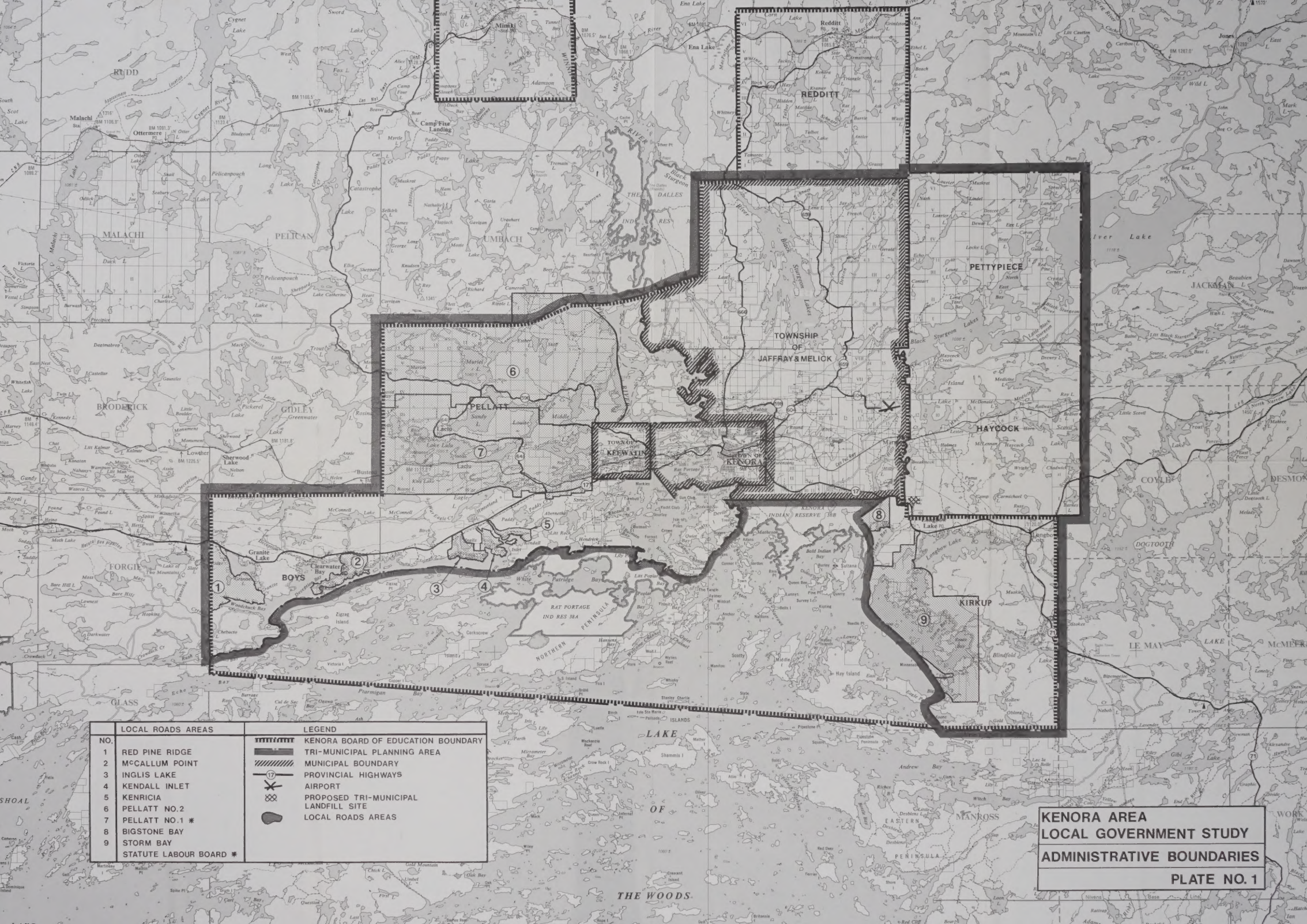
The share of 1978 taxes generated by the Residential-Farm portion of Kenora's assessment is:

$$\$380 \text{ (Table No. 3)} \times \$1,109 \text{ (Table No. 4)} = \underline{\$421,000}$$

For the amalgamated municipality, the area of Kenora generates:

$$\begin{aligned} & .007239 \text{ (Table No. 2)} \times 40,764 \text{ (Table No. 1)} \times \$1,156 \text{ (Table No. 4)} \\ & = \underline{\$341,000} \end{aligned}$$

A full distribution of 1978 taxes is shown in Plate No. 5 in Section 9 of this Report.



LOCAL ROADS AREAS		LEGEND	
NO.			KENORA BOARD OF EDUCATION BOUNDARY
1	RED PINE RIDGE		TRI-MUNICIPAL PLANNING AREA
2	M'CALLUM POINT		MUNICIPAL BOUNDARY
3	INGLIS LAKE		PROVINCIAL HIGHWAYS
4	KENDALL INLET		AIRPORT
5	KENRICIA		PROPOSED TRI-MUNICIPAL LANDFILL SITE
6	PELLATT NO.2		LOCAL ROADS AREAS
7	PELLATT NO.1 *		
8	BIGSTONE BAY		
9	STORM BAY		
	STATUTE LABOUR BOARD *		

KENORA AREA
LOCAL GOVERNMENT STUDY
ADMINISTRATIVE BOUNDARIES
PLATE NO. 1

